MANCIALTIMES

No.30,620

Friday August 19 1988

D 8523 A

EC-SOVIET TRADE

Prospects for an economic agreement

Lebanese MPs fail to elect a new president

deepened as Parliament failed to obtain a quorum for the scheduled vote to pick a successor for President Amin

The Lebanese Forces militia had prevented a number of MPs attending the session to frustrate the election of the pro-Syrian former President, Suleiman Franjieh. Page 4

Poll lifts Bush

An ABC News-Washington Post poll, taken on the eve of the Republican convention showed presidential candidate George Bush had closed to within three points of Democrat Governor Michael Dukakis – a statistical dead-heat. Quayle row, Page 16

Hostage drama ends West German police captured two armed bank robbers, end-ing a three-day hostage chase through Germany and Holland. A woman hostage was killed in the gun battle, bringing the death toll to three.

Polish strikes grow Pro-Solidarity labour unrest spread in Poland, crippling production at five coal mines in the south and the port of

Killings in Burundi

ITH AFRIC

Official reports from Burundi, where 100,000 people are esti-mated to have died in inter-ethnic violence in 1972, said that members of the Tutsi tribe were being massacred in the north of the country.

Pacific poli delayed Next month's scheduled referendum on a settlement in the Pacific territory of New Cale-dona has been delayed at least until the end of October.

Police arrested about 10 foreigners demonstrating in Prague, in advance of this weekend's 20th anniversary of the Soviet-led invasion of Czechosloviakia. Anti-reform pres-

US Mandela call

sures, Page 2

The United States said it was deeply concerned about the health of South African black dela and called on Pretoria to release him from prison.

More Angola talks Angola, Cuba and South Africa will meet from August 24-26 in the Congolese capital of Brazzaville, for continued negotiations on the future of

south-western Africa.

Sudan cholera fear Health workers in the Sudanese capital, where 1.5m have been made homeless by flood-ing, fear that a suspected case of cholera could herald a serious epidemic. Egyptian dams

Afghan deadline met The US said the Soviet Union had met a UN requirement to withdraw half its troops from Afghanistan by August 15 and admitted that the majority of Afghanistan was

Home after 34 years Three Soviet seamen whose merchant ship was seized in June 1954 arrived in Moscow after 34 years in captivity in

free of Soviet troops.

MARKETS

S.Korea Composite index

B00

500

Business Summary

Bell opens door to

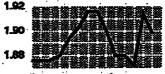
BELL GROUP, flagship of the reduced business empire of Perth financier Mr Robert Holmes à Court, recom acceptance of a A\$850m (US\$806m) hid by Bond Corporation, one day after Bond Corporation finally secured a

ALKEN-KRONENBOURG, Bel-gian brewing offshoot of BSN, the French industrial group, has merged with Maes, the second largest brewer in Bel-gium. Page 17

BAYKR. West German chemicals group, said pre-tax profits rose by 20 per cent to DM1.86bn (\$974m) in the first half of this year from DM1.55bn in the corresponding 1987 period, **Page 19**

vened to try to reverse some of the US unit's recent gains. Their efforts partly succeeded, but the markets felt the dollar

against the D~Mark (DM per \$)



would continue to be in demand. In London it closed at DM 1.898 compared with DM1.9125 on Wednesday. The

JAPANESE Ministry of Pinance is easing its controls on Euroyen and Samurai bonds in a bid to stimulate new

AMEC. IIK construction, engineering and property group, increased pre-tax profits by 69 per cent to £22.2m (\$37.7)

FISONS, UK pharmaceuticals, scientific instrument and horticulture group, announced the \$460m acquisition of the phar-maceutical division of the USbased Pennwalt Corporation.

TANDY, US computer maker and electronics retailer, reported a 29 per cent rise in

BRITISH TELECOM'S secondquarter profits increased by 7.4 per cent before tax to £610m

VEBA, diversified West German energy, oil and chemicals concern, said its group net income rose 10.2 per cent in the first half to DM335m (\$629.8m) from DM304m a year earlier. Page 19

PHARMACIA, Swedish bio-technology and pharmaceuti-cals group, lifted first-half prof-its after financial items by 5

SKF of Sweden, one of the world's leading roller bearings makers, lifted first-half profits by 2.5 per cent to SKr626m (\$90m), from SKr611m a year

NEDILOYD, Dutch shipping (\$110.9m). In the first half of last year the group suffered pay an interim dividend.

A\$850m bid by Bond

majority stake. Page 17

DOLLAR: Central banks inter-



Bank of Japan did not intervene and the dollar closed at Y133.3 against with Wednes-day's Y134.05. Page 23

in the first half. Page 21

fourth quarter net earnings to \$57.22m, from \$44.44m a year ago. Page 18

(\$1.03bn). Page 17

per cent to SKr449m (\$69m), from SKr426m a year earlier.

ago. Page 19

and transport group, reported a first half profit of F1 52.3m a loss of Fl 56.0m and did not

Speculation grows that Zia was victim of assassination

SPECULATION was growing in Pakistan yesterday that President Zia ul-Haq was assassinated. President Zia, along with his senior military staff was killed when his aircraft exploded in mid-air on Wednesday.

Inouiries vesterday had still

Inquiries yesterday had still not resolved the mystery of what caused the explosion which killed all 30 people on board a C-130 military aircraft transporting the President to army manoeuvres in eastern

Amid a welter of speculation and rumour, the most plausible explanation for the disaster was that disaffected members of the armed forces may have been responsible for planting a time bomb on the aircraft.

Killed along with President Zia were Gen Akhtar Abdul Rehman chairman of the joint tennan, chairman or the joint chiefs of staff, another full gen-eral, three major-generals and Mr Arnold Raphel, the Ameri-can Ambassador. Gen Zia's death is seen as

making a return to democracy easier. The politician who seemed best placed to benefit from the new situation is Ms Benazir Bhutto, daughter of the former President and the leading opponent of President Zia. She said yesterday that Gen Zia's death had "removed the shadow under which myself and all those dedicated to democracy have been living."

Gen Zia's body was flown back to Islamabad last night in a simple coffin, where it was met by a guard of honour myself and all those dedicated to democracy have been liv-

MR PIERRE BEREGOVOY, the

to embark next : year on a

far-reaching overhaul of his country's tax system designed

to make it fairer, simpler and more efficient.

Mr Beregovoy is putting the

budget, to be presented next month, but he said yesterday that he would include only minor tax reforms this year, rather than a global overhaul.

The budget for 1990, how-ever, would have to bring France's taxation levels into

line with those of its neigh-

bours in preparation for the liberalisation of capital move-

ments within the European

Community from July 1990 and for the opening up of the single

EC market from 1993. Value

Added Tax rates, in particular, would have to fall.

By Chris Sherwell in Sydney

AUSTRALIA and New Zealand

yesterday promised to create a single market in trade, services and other commercial dealings

across the Tasman Sea by 1990,

setting a seal upon an eco-

nomic relationship unequalled by any other two sovereign

The declaration was the high

point of the first summit meet-

ing in Australia between Mr Bob Hawke, the Prime Minister

of Australia, and Mr David Lange, his New Zealand coun-

terpart.

Mr Hawke and Mr Lange,

although they both lead Labour Governments, have

since promoted policies of dere-

gulation and competition, and this has culminated in a deep-ening and widening of their economic relationship.

At a ceremony in Canberra, the two men signed three pro-



Prime Minister Rajiv Gandhi of India signing the book of condolences in front of a photograph of the late Pakistani President Zia ul-Haq at the Pakistan High Commission in Delhi

French politicians of all par-ties have toyed with the idea of a global remoulding of the tax

employment and research, rather than to cut taxes.

France's total tax burden,

row at President Zia's death, but was shocked by an event that caused the death of 30 peo-ple. The bazaars were closed in all the major cities. In Lahore people crowded into the army stadium to mourn the 30 vic-tims of the air explosion. But in Peshawa and Rawalpindi, people put out flags of the opposition Pakistan People's

Beregovoy outlines plan

system modelled on the Rea-

gan reform in the US, but Mr

Beregovoy is likely to give a

more redistributive tone to his

reform, even though some of

his socialist colleagues regret his tightness on public spend-

The new Government, in office since May, has retained from its right-wing predecessor the goal of reducing the government budget deficit. The budget deficit for 1989 is to be

cut to FFr100bn (\$15.5bn), from

FFr115hn this year, and gov-ernment spending will rise by

only 4.6 per cent.
But Mr Michel Rocard, the
Prime Minister, has sought to

use such elbow room as he has

to raise spending in the priority sectors of education,

Australia, NZ seek trade pact

tocols, the most important of which calls for the removal of

all frontier barriers to trade in

manufactured and agricultural goods by July, 1990, five years ahead of the original timetable set in 1983. To help ensure that

trade is fair, the two countries

simultaneously committed themselves to a harmonisation

The second protocol removes regulations and provides for

includes, as an essential ele-

closer co-operation and alignment of quarantine administra-

On top of this, the two Gov-ernments have signed agree-

ments covering the harmonis

tion of business law and customs practices, the elimina-

ment, freedom of movement

A third protocol provides for

of their competition laws.

further liberalisation.

between the two countries.

tion procedures.

for simpler tax system

drawn from all three services. His funeral on Saturday will be

attended by leaders from around the world.

In the delicate political balance now unfolding, the key still lies with the military. Gen Aslam Beg, the former vice-chief of army staff who takes over from President Zia as chief of army staff and head of the army, is a man without known political ambitions. Continued on Page 16 Pakistan after Zia, Page 4; Edi-

France's total tax burden, representing 44.7 per cent of gross domestic product in 1987,

is one of the heaviest in the EC, although this is largely accounted for by the size of

French social security contri-

particularly lop-sided in rela-tion to other EC countries. More than 10m households pay

no income tax at all, while

rates thereafter rise steeply to 65 per cent, with the result

that 15 per cent of taxpayers

produce 65 per cent of income

income taxes together accounted for only 6.6 per cent

of GDP last year, while the

VAT burden is heavier than in

tion of technical barriers to

trade, an end to export prohibi-

tions and the removal of vari-

ous anti-competitive support

measures for their respective

On industry assistance, the two leaders said in a joint statement: "We reaffirm that bounties and subsidies provid-

ing long-term protection for

Australian and New Zealand industries from trans-Tasman

competition can no longer be

regarded as viable instruments

Mr Hawke and Mr Lange also pledged to explore the

scope for a special bilateral investment agreement which

the growth of investment flows in both directions.

A review will also be conducted, in 1990, of trans-Tasman trade in services

would preserve and enhance

domestic industries.

of industry policy.

Management: Spanish consultancy's novel

Brazil's car industry: Ford and Volkswagen

Technology: Challenging the conventional

Editorial comment: Pakistan after Zia; The

Chemical warfare: Difficulties of controlling

UK travel trader War of attrition in a shrinking

Less RHM; Fisons; Brand names; British Tele-

approach to employee develor

wisdom of product innovation:

true cost of commuting in the UK: ...

the poor man's nuclear weapon: ...

back off from divorce:

most EC countries.

Personal and corporate

Personal income tax appears

Botha hints at Mandela release but sticks by policies

By Anthony Robinson in Durban

PRESIDENT P. W. Botha yesterday said he would like to release Mr Nelson Mandela, to release Mr Neison Mandela, the jailed African National Congress leader, on compas-sionate grounds, but raled out any possibility of talks leading to future black majority rule. Mr Botha repeated his demand that Mr Mandela should first renounce violence, but he went on to imply that a compromise might be reached which would allow Mr Man-dela to be released for humanitarian reasons, possibly to a clinic or sanatorium, rather

than a full release. Mr Mandela, who has been in prison since 1962, was taken to Cape Town's Tyger-berg hospital on Friday and, according to his lawyer, is suffering from tuberculosis.

Mr Botha said it would not

be wise for Mr Mandela to go back to jail at his age and said "a positive result" was possi-ble, provided Mr Mandela con-tinued to co-operate.

Speaking at a congress of party workers in Durban, Mr Botha made clear that he intended to press ahead with controversial changes to the Group Areas Act which could lead to large-scale evictions.
Both domestic lobbies and foreign governments have
warned that this might invite renewed sanctions.

renewed sanctions.

The speech was mainly aimed at a domestic audience. In a passage which showed the party's rightward shift, Mr Botha said a referendum of the whites would show that around 80 per cent supported racially segregated residential areas, along with 70 per cent of "Coloureds" and Asians.

"Why are we called racial-"Why are we called racial-

ists when we stand for what the majority of the people want?" he asked. Mr Botha's rejection of black majority rule, his attacks on the ANC as a communist-inspired terrorist organisation and his defence of basic apartheid laws appeared to be an attempt to head off further Conservative Party gains at municipal elections due on October 26. For the first time Mr Botha also claimed credit for prog-

ress at the US-brokered Angolan peace negotiations. He said that policy on the talks was decided under his chairmanship and that he was fully informed on all the discussions. The endorsement appeared to reflect belief that it could win votes.

Congress report, Page 4

Whirlpool and Philips unveil joint venture

By Roderick Oram in New York

Philips, the Dutch gles of global expansion and multinational, has agreed to enhancing shareholder value." sell for Fl 1bn (\$470m) a 53 per cent stake in its major domes-tic appliance business to Whirlpool of the US, in a move which will create the world's largest manufacturer of cookers and other home equipment.

The Philips' operations, with annual sales of some \$2bn will be transferred to a Dutch-based ioint venture controlled by Whirlpool to develop, make, sell and service major appli-ances under Philips' brand-names.

Whirlpool, whose sales of \$4.18bn last year make it the second largest US appliance maker after General Electric, will consolidate the joint venture's results with its own to make the biggest player in world markets. It is believed, however, that manufacturing operations will remain sepa-

Philips has been looking for some time for a partner to bolster its domestic appliance operations as the world market became increasingly dominated by multinationals such as Electrolux, the Swedish-

based group.
Although well-placed in Europe, Philips has no presence in the US major appliance market. Earlier talks with Whirlpool, which had dragged on for more than a year, broke down late last year, apparently over price.

"This is a great day for Whirlpool and a vital step toward achieving our strate-

pool's chairman. Mr Gerrit Jeelof, vice chairman of Philips' management board, said the deal would help ensure the long-term success of Philips major domestic appli-ance business and was in line with the group's policy of "strengthening its strategic worldwide activities."

said Mr David Whitwam Whirl-

The new joint venture, as yet unnamed, will be run by Mr Willem Maeyer, presently senior managing director of Philips major domestic appli-ance division. It will employ some 14,000 from Philips' present division with main operat-ing centres in Milan and Stutt-

It will continue with a full range of products including clothes washers and driers, refrigerators, freezers, cookers, microwave ovens, dishwashers and components.

Whirlpool, 77-years-old and based in Benton Harbor, Michigan, already has international links via joint ventures in Brazil, Mexico and Canada. One of the most famous and respected brandnames in US kitchens, it also makes equipment for Sears, Roebuck, the largest retailer in the world, under the Chicago company's own brand name. These products account for 37 per cent of Whirlpool's

UK refers RHM bid to mergers agency

Sydney-based Goodman Fielder Wattie, is being referred to the UK Monopolies and Mergers The decision by Lord Young,

British Secretary of State for Trade and Industry, was announced yesterday morning. The statement from the DTI said that the Secretary of State considers that there are possible effects on competition, especially in the market for bread, arising out of the financing of the proposed acquisition, which deserve investigation by the Commission." The Com-

IN A SURPRISE move, the £1.7bn (\$2.88bn) bid for Ranks Hovis McDougall, the British Financing of the GFW offer mvolved extensive bank loans making it one of the most highly leveraged bids for a major British company. However, recent Government policy has suggested that leverage itself would not normally be grounds for a referral, and the stockmarket was unprepared for the RHM decision.

Shares in the British food company, which had been trading at just above 450p - only slightly below the cash offer Continued on Page 16 Lex, Page 16; news analysis,

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Arts-Reviews World Guk

Financial Futures

Lombard

33,36 33-35 27-31 ... 10 24-27 ... 15

country opens up to the outside world

Japanese head the queue for

Increased Burma business

Gen Ne Win's twenty-

six-year iron grip on Burma stifled the ec-

(812) 3-min Treasury Bills: yield: 7.22 (7.25) Long Bond: 97.≩ (96±) yield: 9.39 (9.43)

PITEREST RATES

us lunchume Federal Funds 81/s

COLD New York close:

STERLING New York ck

\$1,6985 (1.6905)

\$1,6895 (1.6900) DM3.2225 (3.2325)

SFr2.7100 (same)

New York close: DM1.8995 (1.9100)

Y133.35 (133.92)

Y226.50 (same)

DOLLAR

FFr10.9800 (10.9375)

SF(1,5960 (1,6090) Y133,30 (134,05)

FFr6.4395 (6.4545) 8Fr1.5955 (1.6040) Frankfurt DM1.8980 (1.9125) FFr6.4350 (6.4725) 1485.3 (+7.9) \$14,935 (+.16)

FT-SE 100 1,833.9 (+3.0) 125.06 (Wed) (-0.21) Tokyo Nikkei Ay. 28,129.35 (-49.50)

STOCK INDICES

New York tunchs

Brent 15-day (Argus) West Tex Grude \$15,625 (+.15)

2,027.03 (+1,07) S&P Comp 261.28 (+0.51)

onomy and trade with other countries fell alarmingly. Japan continued to provide aid,. however, and is now well-placed if the

Poland's strikes spread to more pits, ports and buses

STRIKES spread in Poland yesterday, crippling production at five coal mines and a port, and Solidarity leader Lech Walesa said the country faced a deep conflict, Reuter reports from Jastrzebie, Poland.

More than 6,000 miners were on strike at the southern mines. They demanded national recognition of the banned trade union, Solidarity.

About 1,800 port workers were also on strike in Szczecin, about 250 miles north-west of Warsaw. The striking miners said they had also called for recognition of free trade

A transport official said an unspecified number of Szczecin unspective number of Serverin bus workers had also gone on strike early yesterday in sup-port of the port workers. State television said a strike began at Jastrzebie colliery in the town of the same name close to the Czechoslovak bor-

At least 600 workers occupied the Moszczinica colliery in Jastrzebie and about 3,000 min. ers were still in the town's Manifest Lipcowy mine, where an occupation strike was declared on Tuesday.

About 2,000 workers — a

EFFORTS to contain the

growing pressures for greater

independence in the three Bal-tic republics of Estonia, Latvia

and Lithuania are being cen-tred on "republican self financ-

ing" - or much greater eco-nomic decision making at

republic, rather than Moscow,

Mr Miervold Raman, chair-

man of the republic-level organisation of the state plan-

ning agency Gosplan in Latvia,

said in an interview in Trud, the Soviet trade union newspa-

per, yesterday that the encour-

agement given at the 19th party conference this year to a

which would see the influence

of the national ministries decreased in favour of republic-level institutions would

"encourage inter-[Baltic] republic relations".

replace the vertical planning of the ministries with horizontal,

republic planning had met resistance from the national

Gosplan, and the initiative had

Mr Raman stressed: "We

have to be careful on this issue," and added that while

By Diana Smith in Lisbon

AGRARIAN and tax reforms, vital to the attempt by the Por-

tuguese Government to streamline the economy in time for the challenge of the

1992 EC single market, have passed their final test. This week the Constitutional Tribunal, which vets the com-

pliance of proposed legislation

with precepts of the Marxist 1976 Constitution, approved

government proposals to review land ownership struc-tures in the Alentejo agricul-

tural region, where over 2.5m acres were seized and collectiv-

A 1977 law permitted restitu-

tion of small percentages of seized land to former owners

but upheld the principle of col-lectivised land. The Social

Democrat government headed

ised in the 1975 revolution.

He said previous efforts to

form of economic manage

north of the city of Katowice. Four hundred miners were also on strike at the Morcinek colliery just outside Jastrzebie, according to the miners.

Poland since April and May, when stoppages provoked by sharp price increases devel-oped into the biggest strikes since the labour turnoil of the

In the Baltic port of Gdansk, where the strikes that spawned Solidarity began in August 1980, Mr Walesa said: "I sup-port the justified fight of the port the justined light of the miners, port workers and other strikers. This is the only way of leading Poland on to the road of reform.

"Yet again Poland is facing a

deep conflict. I have warned about it many times. The state of the economy is catastrophic.
Only the Government's blindness and egoism can explain the stubbornness against

Poland's Communist authorities have launched a reform programme to tackle soaring inflation and a faltering economy. But many Poles say they are disappointed with the

"Workers are defending Soli-darity because for them it is third of the workforce - were darity because for them it is on strike at the Andaluzja pit the main condition of prepar-

greater economic independence

the Latvian leadership had as

its prime responsibility raising

the living standards of Latvi-ans, it could not neglect the industrial needs of the Soviet

Like the other two Baltic

republics, Latvia is more prod-uctive and innovative than

most other parts of the Soviet

Union. With only 0.3 per cent of the Soviet land mass and 0.9 per cent of the people, its national income and volume of

industrial output are both 1.2 per cent of the total, and its

agricultural production 1.4 per

It produces all the Soviet Union's trains, 25 per cent of its telephones and 50 per cent

of its mopeds and milking

The sentiment for indepen-

dence, always strong in repub-lics which had been separate

nations before the war, has become more obvious in recent

It was farmed by the publica-

tion last week by an Estonian

paper of the substance of

paper says were added to the 1939 Molotov-Ribbentrop Pact

which led to the incorporation

Lisbon agrees economic reforms

by Mr Anibal Cavaco Silva pro-poses to increase the land available for private owner-

ship, pay compensation to for-mer owners, and clearly define

the framework for small farms.

tenant farming and large scale

farming in the region.
The Government believes

that righting imbalances in the

Alentejo, where collective farms have dwindled since the

late 1970s but where ownership and tenure have remained

unclear, will help the region to become a big source of farm

which instigated land seizures

in 1975, has decried govern-ment proposals, claiming they will drive economically-de-prived farm workers back to the precurious livelihood they

The Communist Party,

Baltic republics may secure

ing, fighting for and realising economic and political reforms," Mr Walesa said.

"One should answer who caused seven precious years to be wasted," he added in a reference to the time that has elapsed since martial law was imposed and Solidarity was

A report by the official news agency PAP suggested Commu-nist Party chiefs were not prepared to allow a return to the widespread unrest of 1980 or recognition of Solidarity.

"Defence of the fundamental interests of society is the supreme duty of the party and the authorities of the socialist ite. There can be no return to anarchy and past struc-tures," PAP quoted the party polithuro as declaring at a reg-ular weekly session on Tues-day. It did not refer directly to

the latest unrest.
Miners said their strikes had been declared illegal.
Police have cordoned off Manifest Lipcowy and barred hundreds of miners from enter-

ing the colliery.
Poland was the world's fourth largest coal producer last year with an output of 193 million tonnes. Coal is the country's main hard currency

of the republics into the Soviet Union. The clauses transferred

Latvia and Estonia, and later Lithuania, to the Soviet sphere

of influence. When, in 1940, Soviet troops occupied the states, thousands were deported to labour camps where most died.

The sensitivity of this docu-ment – the substance of which has been published in the West

though it has never been

or was a fraud. Earlier this year, protests were held in all the republics

to mark their incorporation into the Soviet Union. In

Into the Soviet Union's first non-communist political organisation, the Popular Front for Support of Perestroika, was founded in June. In

all of the republics, objections have been voiced on environ-

mental grounds to centrally

planned mining and industrial

endured before the revolution. The Government says that

not only injustices but mis-

takes in the type of crops

planted were perpetrated in the Alentejo, and sorting them out and making farming fairer

and more productive will improve living standards.

Also this week, President Mario Soares promulgated gov-

ernment tax reform proposals that will introduce a single per-

sonal and company income tax

structure in 1989. With approval last week of a

proposal allowing private capi-tal to invest in areas like oil refineries and petrochemicals,

steel, telecommunications and public transport, the Govern-

ment has seen its key 1988 reforms through the last

of smear campaign

MR ALEXANDER Dubcek, the Czechoslovak leader toppled 20 years ago by a Warsaw Pact invasion, was quoted yesterday as saying an official campaign to tar his reputation was an attempt to stave off new pressures for reform, Reuter reports from Bonn.

Mr Dubcek, quoted in the West German magazine Stern, was speaking from Bratislava, where he has lived since the Spring" reform government. He said attacks in the official Czechoslovak media, many of which have focused on his pub-lic support of Soviet leader

hindering similar reforms at driving a wedge between the Soviet Union and Czechoslovakia for welcoming Gorba-chev's reforms. These people verbally accept reform, but in the depths of their souls they

Mikhail Gorbachev's liberalisa-tion programme, were aimed at

want it to fail." want it to fail."

The Prague Spring, he said, was still being falsely portrayed. "My sin was and remains that I saw, and still see, another way to change our socialist society."

Czechoelovakia's Charter 77

human rights movement, marking the 20th anniversary of the Soviet-led invasion, yes terday urged all citizens to "throw off the fetters of fear" and speak out against its con-

and speak out against his sequences.

Charter said the brutal action of August 21, 1968, which crushed the reform movement, was a national catastrophe which destroyed efforts to achieve political and a more humans. renewal and a more humane social order.

Economy likely to grow 7.4% in Turkev

By Jim Bodgener in

found — was shown this week when several historians gave an official press conference to TURKEY'S economy will grow at a rate of 7.4 per cent in terms of Gross Domestic Prod-uct in 1988, according to first cast doubt on the protocols' existence. However, Mr Valen-tin Fallin, chairman of Novosti estimates, said a senior official press agency, also said he could not prove it did not exist,

in Ankara yesterday.

In advance of a period of election fever, this would seem to indicate that the overheated inflationary growth in 1987 has abated little since austerity measures earlier in 1988.

The first estimate figures do not hold out much hope for the easing by the end of the year of inflation, which in the twelve months to the end of July was 75.5 per cent. The ruling Moth-erland Party is losing electoral support due to the erosion of living standards.

This is at a time when the economy faces possibly two months of election fever, when Turks vote first in a referen-dum on September 25 whether or not to hold early local elections on November 27, and then the elections themselves.

The two main opposition parties, the Social Democratic Populist Party and the True Path Party, have vowed to turn the Government's economic

French prices up 0.3% in July FRENCH retail prices rose a

seasonally adjusted 0.3 per cer in July and were up 2.7 per cent from a year earlier, according to provisional esti-mates yesterday from the National Statistics Institute, AP-DJ reports from Paris. The rise was identical to that

of June, although it pushed the country's year-on-year inflation rate up to 2.7 per cent from 2.6 per cent in the 12 months to June.

The rise was within market expectations and had little "Some countries have impact on the franc or on domestic interest rates. approached us about tids," Mr

Dubcektells | A Danish passion for cleanliness

Hilary Barnes reports on power politics of the environment TO ALL appearances, investments. For the six years Denmark, with virtually no 1989-94, the Government has beavy industry and a relatively out a hid of DK121bn on total nitrogen to 8mg and phospho-

Denmark, with virtually no heavy industry and a relatively low population density, is one of the cleanest countries in Europe. This is not the way Danes see their country.

The public gives the environmental issue highest priority

and the politicians have responded with a burst of pro-grammes and proposals for a leaner Denmark. The enthusiasm for environ-

mental protection measures threatened to get out of control earlier this year and Prime Minister Poul Schlüter himself had to step in to impose a spending celling for the next six years. His intervention was triggered when the Environmental Protection Agency (the executive arm of the policy-making Ministry for the Envi-ronment) published guidelines for limiting atmospheric pollu-

The standards were so stringent (for example, 20-40mg dust per cubic metre of air) that industrialists said that they were technically impossible to implement or would be prohibitively expensive. The manager of a cament plant said that the standards would mean there was less dust on the grass out-side his factory than in his sit-ting room at home.

The Federation of Danish

Industries estimated this and other programmes would mean that over the next four or five years manufacturing industry would have to spend twice as much on environmental measures as it does on research and development.

Environmental investments by the public sector in 1988 will come to about DKr5.7bn (\$791m), an increase of 185 per

public sector environmental-investments and DKr12bn for the private sector (including agriculture and manufactur-ing). The annual investment of DKr5.3bn a year is equivalent to rather more than a third of annual manufacturing industry investment.

To keep manufacturing industry's costs from going through the roof, the counties (which implement the environ-(which implement the environ-mental regulations) have been told to ignore the new draft atmospheric pollution regula-tions for the time being. Graphic pictures of dead lob-sters from the Kattegat, which were shown on television in

current wave of environmental investments. The lobsters were from an area of the Kattegat de-oxygenated by a combination of pollution and the absence over many years of major storms from the north-west, which periodically refresh the Baltic with a surge of water from the North Sea

Within days of the deceased lobsters' star appearance, the Folketing (Parliament) was committed to a large project to cut the pollution of coastal waters by effluents from farming, industry and house about The project will cost about DKr8on between 1989-91 in addition to considerable sums already invested.

The aim of the coastal waters plan is to reduce the emission of nitrogenous effuents by 50 per cent and phosphoric wastes by 80 per cent. Local government investments in new water purification

rous to 1.5mg per like from 15mg to 30mg per like from many existing plants are one of the main items in the budget. Industry will have to meet similar standards. The most controversial

aspects of the water plan concem agriculture. A reduction in agriculture's use of artificial fertilisers from almost 400,000 tonnes a year in 1966 to 265,000 tonnes by 1990 is one of the main measures. While more efficient use of fertilisers can make up from some of the reduction in fertiliser use, farmers' organisations fear that crop yields could fall by a fifth. "It's difficult to put a fig-ure on it, but there will be a very serious fall in yields," said Mr Lars Johansen, manager at DLG, the big co-opera-tive seed and fodder whole-

Farmers also face a string of other regulations, such as limi-tations on the number of ani-mals per hectare of land, a ban on muck spreading at certain times of the year, a minimum nine-month capacity for stor-age of shurry (liquid manure), age of shirry (liquid manure), and autumn sowing to keep a minimum of 45 per cent of fields green during the winter (so that they absorb nutrients which would otherwise be washed into the subsoil and materials.) The subsoil and waterways). Denmark's envi-ronmental enthusiasm is lead-ing to conflict with the European Community on a number of issues. The Government has decided in principle to imple-ment US standards for car exhaust emissions, although so far the decision has not been turned into legislation.

The Danish standards - which will be in line with standards in the other

siderably tougher than the standards adopted by the EC. The Danes are likely to be taken before the European Court on this issue, accused of an action which is trade discriminatory.

The Danes will argue, how ever, that as Denmark does not produce any vehicles itself, the restrictions are not discriminatory. Denmark has also insisted, in conflict with EC directives, that a number of chemicals, such as impentine and other solvents and the products in which they are used, such as glue and varnish, must be marked with a health warning ("Serious health haz-ard from long-term exposure") when sold in Denmark. A total ban on the use of Freon is under discussion, but has not yet been finally decided.

Such a step could also cause a clash with the EC. Mrs Lone Dybkjaer, the new minister for Dybkjaer, the new minister for the environment, appointed in June, has launched a proposal which may run into problems with the EC, a tax on packag-ing Intended especially to curb the use of plastic, which consti-tutes a major rubbish disposal problem industry engracts the problem, industry suspects the main impact would be a boom in frontier trade, especially in

Disputing with the EC on environmental issues, how-ever, is a point-scoring activity for Danish ministers. When the Folketing approved the Single European Act, it was on the understanding that Denmark would be able, if it desired, to implement tougher environmental measures than agreed by the EC.

The BC's caveat — "as long as they are not trade discriminatory" — never got much of a

UK attacked over North Sea pollution

By Robert Taylor, Nordic Editor, in Stockholm

THE BRITISH Government was criticised yesterday for not giving a higher priority to opposing the spread of pollu-tion in the North and Baltic

Sweden's Environment and Energy Minister, Mrs Birgitta Dahl, told a hastily arranged international conference of experts in Stockholm that Mr Nicholas Ridley Britain's Environment Secretary, still had to be convinced about the need for urgency over the growing evidence of maritime pollution, poignantly symbolised at the moment by the death of thou-sands of seals in the region.

The Swedish Prime Minister, fr Ingvar Carlsson, told delegates their marine environment was in an alarming state, with accumulated industrial

emissions having wide effects on the ecology of the seas. Mr Carisson said they had done too little and too late and said no other seas in the world of similar size and ecological vulnerability received waters from as large a population with as high a level of industrialisa-

The crisis has been high-lighted over past weeks by the spread of a contagious virus caused by toxic pollutants that has wiped out nearly two thirds of the seals in the North and Baltic Seas. The environmental organisation Green-peace estimates that up to 90 per cent of Baltic grey seals now show signs of intestinal or kidney disorders and over 80

per cent of mature females

Birgitta Dahl: attack have been made sterile.

The spread of algae, a fish-killing fungus caused by indus-trial pollutants along the Swedish west coast and around southern Norway this summer has added to the widespread concern in the Nordic countries at the growth of environmental pollution. Thousands of dead fish and other marine life have been washed up on the

shores of northern Europe as a result of the algae.

Greenpeace believes the high concentrations of nitrogen and phosphates in the waters of northern Europe have enabled the algae to thrive. It is calculated that the North Sea received 100,000 tonnes of phosphorus and 1m tonnes of nitrogen from industrial effluent

every year. Mr Carisson called for spe-



Ingvar Carlsson: alarm

cific proposals for immediate action. He said dioxin emis-sions should be reduced to zero as soon as possible, with emissions from the pulp and paper industry reduced to nearly zero

by the end of the century.

He said the transport industry must also respond and that the introduction of catalytic converters to cut vehicle emisbought time for a development of pollution-free transport.

Pollution is the major issue in the current Swedish general election and all political parties are trying to convince the voters they intend to take radical measures to deal with environmental threats.
In a statement issued to

coincide with the conference, diate end to dumping of industrial waste and ocean incineration, to sewage sludge dumping and radioactive wa discharges into the North and Baltic Seas.

The organisation said it also wanted to see an end to the discharge of chlorinated comdischarge of chlorinated com-pounds from the paper and pulp industry by the end of 1993, as well as immediate steps to reduce air pollution and acid rain, including a 90 per cent cut in sulphur dioxide emissions and a 70 per cent reduction in emissions of nitro-cen oxides and ammonia. en oxides and ammonia.

gen oxnes and amnona.

Greenpeace activists demonstrated their concern yesterday by protesting outside a Swedish state-owned paper mill in the north of the country which they claimed was a big source of marine pollution and operat-ing in defiance of the Swedish Government's own environ-

mental strategy.

Mr Carleson promised that Sweden would spend £10m in creating an international institute for environmentally sound technology and said he hoped there would be a higger international research effort to increase the knowledge of how to save the marine environment from destruction. Sweden has already embarked on a detailed programme of action but he warned further measures would be necessary when the programme was reviewed

All 13 north European countries bordering the North and: Beltic Seas attended the gath.

Soviet Union may process foreign nuclear waste

THE Soviet Union is considering processing and disposing of other countries' nuclear waste on its own territory as part of joint nuclear development projects, a Soviet academic said on Thursday, Reuter reports from Moscow.

Nikolai Ponomaryov-Stepnol, a candidate member of the Soviet Academy of Sciences and expert on power engineer-

"It is a very complicated question, but it is one of the possibilities being considered,

Mr Ponomaryov-Stepnoi said in such a case the Soviet Union would handle the final stage of processing the spent fuel and also then dispose of it on its own territory. However, he stressed that no

decisions had yet been taken.

Mr Ponomaryov-Stepnoi said that accidents, such as the explosion and fire at the Chernobyl power station in April, 1986, had shown the need for countries to pool their efforts to improve safety.

A delegation of US experts is due in Moscow on Friday. due in Moscow on Friday.

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Warning on Scandinavian inflation economies. Norway looks set to

THE RATE of inflation in all the Scandinavian countries. will rise much faster than the average for OECD industria-lised nations during the rest of this year and in 1989, according to the latest half-yearly Nordic Economic Outlook published yesterday by the industry fed-

The average inflation rate in Scandinavia is expected to be 5.9 per cent this year, compared with an average of 3 per cent in the OECD area. During 1989 the average rate is predicted to be 5 per cent in Scandinavia against 2.3 per cent in

the whole OECD. The growth rate in the Nordic countries is expected now to be 1.3 per cent in 1988 with a further fall to 1 per cent next year. By contrast the OECD average growth rate is pre-dicted to be 3 per cent this year and 2.3 per cent in 1989.

consumption will rise by only 0.6 per cent this year and 0.4 per cent in 1969. The growth in public consumption is expected to drop from 2 per cent in 1967 to only 0.5 per cent this year and in 1989. Gross fixed investment is expected to go up by 0.9 per cent this year but to fall by 22 per cent next year.
All the Nordic countries will record bigger current account deficits in 1988, though they

are expected to decline next year, except in Finland. But the report is not all gloom industrial production is set to rise by an average of 2.1 per cent this year and 5 per cent in 1989, a much better performance than the Nordic area experienced in the past two years. Moreover, the average unemployment rate, predicted to be 3.9 per cent this year, rising to 4.4 per cent in 1969, is

far below the OECD average of The report is gloomy about prospects for future consumption and investment in the just over 8 per cent. The report reveals important differences among the performances of the different Nordic Nordic area. It believes private

experience a further period of restraint with a 3 per cent fall in private consumption in 1988 followed by 1 per cent in 1989. Total domestic demand in Norway is expected to fall by 1.2 per cent this year and by 1.6 per cent in 1989, with a sharp drop of 20 per cent this year and again in 1989 in industrial

The economic slowdown in Denmark is also expected to continue to the end of 1989 with a fall of 0.3 per cent in its gross domestic product this year and a modest rise of 0.3 per cent in 1989. Unemployment there is predicted to rise to 9.8 per cent of the labour force next year, by far the worst figure in the Nordic region. A sharp drop in the annual rate of manufacturing investment and virtually stag-pant industrial production suggests Denmark has some way to go to stage a sustained

By contrast, both Finland

and Sweden are suffering from overheating. Finland's GDP is expected to jump by 3 per cent this year and by 2 per cent in 1989, although the rise in total domestic demand will be 8.5 per cent this year compared with 5.9 per cent in 1987. The report expresses concern about Finland's high labour costs and the deterioration in the economy's current account deficit, which will be as much as 3.5 per cent of Finland's GDP next

The Swedish economy is expected to slow down by the end of this year and during 1989. The report is concerned that high wage rises, skilled labour shortages and lack of capacity in industry will hurt Sweden's international competitiveness. Next year Swedish exports are expected to go up by only 0.5 per cent compared with 2.5 per cent in 1988, and the current account deficit is expected to double this year to SKr10bn and remain the same

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Argentina's

air deal

By Gary Mead

in Buenos Aires

with SAS

under fire

THE DEAL between

Argentina's state airline Aero-

lineas Argentinas and the Scandinavian fleet SAS has

come under fierce attack from four of the six trade unions

representing the country's air-line workers.

Speaking for the four unions concerned, Mr Rodolfo Casali,

head of the Aeronautical Staff

Association, called the \$204m (£121m) SAS is to pay for its 40 per cent stake "a joke."

On Wednesday, Mr Horacio Domingorena, president of Aerolineas, resigned in protest at the deal. He has disputed

the official government version

of the figures, claiming that the actual price SAS is to pay

The deal, which has considerable political as well as economic overtones in Argentina,

must be presented to Congress

The pilots' association has

welcomed the sale, but union leaders representing the bulk

of the industry have taken Mr

Domingorena's position.

Mr Casali accused the Gov-

ernment of handling the deal

for approval.

AMERICAN NEWS

Chile banishes union leaders for role in strike

By Mary Helen Spooner in Santiago

sentenced the president and vice-president of the country's largest labour organisation, the National Workers' Command, to 541 days' internal exile for their part in organising a gen-eral strike last October 7.

Command president Mr Man-uel Bustos and vice-president Mr Arturo Martinez are to be banished to small remote towns for the duration of the sentence. The court also sentenced a third labour leader, Mr Moises Labrana, to 61 days'

The Interior Ministry accused the three of violating internal security laws, filing charges the day after the

strike.
Chilean police arrested 74 people on Tuesday night and 17 more on Wednesday, in anti-Government demonstrations during General Augusto Pinochet's visit to Punta Arenas, the country's southern-

CHILE'S Supreme Court has Chilean military would continue to play a political role.
"We military are going to
continue to practise politics,"
he said, and noted that military officers had briefly served in Cabinet posts during the Socialist Government of Salva-

dor Allende (1970-73). Gen Pinochet and the com-manders of Chile's Navy, Air Force and National Police are to meet on August 30 to choose a candidate for the presidential plebiscite, tentatively sched-uled for early October.

Gen Pinochet is expected to seek the nomination, backed by a hardline faction of his

government. Nevertheless, at least three of the junta members said that if a military candidate were chosen, he would have to serve as a civilian during the new eight-year presidential term

ending in 1997. This means that General Pinochet would have to resign most city.

Gen Prochet told a group of pro-regime youths that the as Chile's army commander should he be nominated and win the plebiscite.

Row over Venezuela President's secretary

By Joe Mann in Caracas

A SENSATIONAL public row. centred around the political that the President, who ambitions of the Venezuelan recently won a divorce deci-President's private secretary, is causing strains and embarrassment for the country's ruling party, Democratic Action, and for the Government.

This public spectacle comes

cal tensions caused by this year's presidential campaign. Mrs Blanca Ibanez, a long-time political and personal associate of President Jaime Lusinchi and now his private secretary, has sought a place on AD's lists of candidates for the national congress to be elected on December 4, along with a new president. Under Venezuela's voting system, obtaining a nomination virtually guarantees a place in Con-

gress. But Mrs Ibanez's efforts have met strong opposition from Mr Luis Pinerua Ordaz, a long-time AD leader and unsuccess-

the party to assign a congressional seat to Mrs Ibanez and that she exercises excessive power in her post as private secretary to the chief execuMr Pinerua has also asserted

sion, is supporting Mrs Ibanez because of an intimate relationship between the two.
In a forceful public response, Mrs Ibanez said that she had This public spectacle comes at a time of already high politi-cal tensions caused by this vear's presidential campaign. Congress. She said that attacks against her by Mr Pinerua were in fact directed at his old political foe, now the President, and that no one had the right to insult her dignity. She added that if she were indeed the lover of the President, she would be proud and honoured.

A majority of AD party leaders decided this week to adopt a "Solomonic" decision. in a surprise move, the party's national executive committee voted to exclude both Mr Pinerua and Mrs Ibanez from next year's congressional

Mr Pinerus charged that the personal relationship between the President and his the party to assume the party to assume the party to assume the personal relationship between the President and his the personal relationship between the pe secretary has been an open-secret in Venezuela's political circles, and the President's decision to seek a divorce while in office caused consternation among some AD party

NSC staff stonewall drug probe by Congress

By Nancy Dunne in Washington

THE Reagan Administration's National Security Council staff are blocking attempts by Congress's investigative arm to gather information about links between foreign leaders' drug-trafficking and US foreign pol-

Congressman Bill Alexander an Arkansas Democrat, has released letters between the General Accounting Office and various federal agencies which

have refused to co-operate in the investigation.

The proposed inquiry, requested by Mr Alexander and Senator John Kerry, a Massachusetts Democrat, would focus on the alleged drug-trafficking activities of Panama's military strongman General Manuel Noriega, who has been indicted in US courts for violat ing American racketeering and

drug laws.
It would concentrate on the sharing of information between drug enforcement agencies and foreign policy makers. However, it could conceivably turn up information embarrassing to some Administration officlais who, it is claimed, knew of Gen Noriega's alleged involvement in drug-trafficking but chose to ignore it for

foreign policy reasons.

Mr Alexander said he planned to offer an "anti-stone-walling amendment" to drug legislation now in Congress which would require the sharing of would require the sharing of the statement of the statement

with wouth require the star-ing of information among fed-eral agencies about foreign ille-gal drug activities.

Mr John Lawn, head of the Drug Enforcement Administra-tion, told a Senate subcommittee that he had written letters praising the anti-drug efforts of Gen Noriega and that he had not been told about a criminal investigation into his alleged involvement with drug-traffick-

ing.
The Administration's onceclose links with Gen Noriega have been attacked by Gover-nor Michael Dukakis, the Democratic presidential candidate. According to letters released by Mr Alexander, the GAO has been seeking access to person-nel and records at the Departments of State, Justice and Defence since May 11. Although the Pentagon co-

operated at first, it later told the agency it had been instructed by the NSC to cease co-operation until the council devised guidelines for access to sensitive national security

The Justice and State Departments said they had also been instructed not to meet the GAO staff.

Yawns in middle of an American dream

By Peter Riddell in New Orleans

WHEN AT 11.08pm on Wednesday night George Bush's eldest son cast the votes on behalf of Texas needed to give his father a majority of the delegates, the massive screen in the Superdome flashed the message "Over the Top."

It was an ant comment on an

It was an apt comment on an overlong night devoid of all suspense. The elaborate plan by Republican leaders to proj-ect George Bush's qualities as a potential president in his own right strained the patience of many in the convention hall. A number had drifted away well before the end of the nominating roll call, which took 90 minutes and held up the announcement of Mr Bush's majority until past midnight for East Coast TV viewers.

The leadership had spared no efforts in highlighting Mr Bush's experience and the breadth of his appeal. Throughout the evening there was no mention of the Reagan Administration. Instead, it was the Reagan-Bush record, the Rea-gan-Bush tax cuts. As the campaign button says: "The Tradi-tion lives on."

By contrast, speaker after speaker drummed home the message that Mr Michael Dukakis was a big-spendinghigh tax Democrat, a liberal (a term of opprobrium), and weak on law and order, defence and the environment

Various celebrities appeared to attest to the Vice-President's strengths – veteran actress Helen Hayes, and two sports stars of the Superdome, former Dallas football quarterback Roger Staubach and Joe Paterno, the current football

coach of Penn State's Nittany

Mr Paterno has been criticised for taking a partisan stand, but, as part of the university faculty, he has invoked

academic freedom.

There was a careful ethnic and regional balance — a successful female Mexican American entrepreneur ("I have found the American dream") and a first-generation Asian American. There were several blacks,

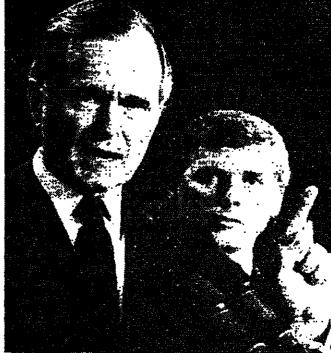
including one from Maryland who was introduced by the playing of the state anthem. more familiar to British ears as The Red Flag, somewhat incon-gruous in the home of free enterprise.
The Vice-President's

undoubted qualities as a decent man who heads a happy and close-knit family were suc cessfully and repeatedly con veyed as each of his five like-able children delivered the votes of their separate states on behalf of their father. But it was all somewhat flat. During the lengthy nomination speech from Senator Phil

Gramm of Texas, the delegates were restive. One joked: "Is this Bill Clinton?", a reference to the similarly tedious nominating performance by the Democratic Arkansas governor in Atlanta a month ago. Nevertheless, there was an 18-minute floor demonstration

with thousands of balloons pouring down from the dome's roof. The roll call itself was an anti-climax, with the usual local boosterism.

Mr Bush watched it all from his hotel on the edge of New Orleans's French Quarter. Sen-



George Bush shadowed by Dan Quayle, "game show host"

ator Dan Quayle, Mr Bush's running mate, put in a brief appearance, looking every inch the game-show host, as he has been dubbed, before he toured the television booths to be questioned about whether his family had used influence to get him in to the National Guard to avoid service in Viet-

nam. Mr Quayle's arrival prompted the only spontaneous moment of the evening

sharp-tongued Senate minority leader, remarked that he had tried to call his rival for the vice-presidential nomination

when Senator Bob Dole, the

all day on Tuesday before he got through to him. "He was shaving — for the first time." That was almost the only

in a secretive fashion, adding that it "violates all and each of the applicable laws." touch of humour in an evening of unqualified praise devoted He disparaged the Govern-ment's view of SAS as a major international airline, saying to leaving no one in any doubt that Mr Bush had won the right to take on President Rea-

that SAS was ranked 13th in world terms by the Interna-tional Air Transport Association, and had an older fleet than Aerolineas and a total debt of \$1.25bn. Mr Casali suggested that as Aerolineas had a fleet of 32 sir-craft, including seven jumbo jets which he valued at \$60m each, plus computer equipment and valuable routes, the implied valuation of Aeroli-neas total assets at \$510m con-

siderably underestimated its real worth. The unions oppos-ing the deal would take legal and other steps to prevent its fruition, he said. Mr Enrique Pescarmona, vice-president of Argentina's second largest airline, the privately run Austral, has reiterated its interest in buying at least 45 per cent of Aerolineas. On July 19 Austral, with Swissair and Alitalia, announced its wish to be considered in place

Reserves drain forces Trinidad devaluation

By Canute James in Kingston

THE Trinidad and Tobago dollar has been devalued by 15 per cent to a rate of 4.25 to the US dollar.

The move is a sign of increasing problems for the country's oil-based economy, which has been declining for two years. Mr Ray Robinson, Prime

Minister and Finance Minister is to present a package of economic measures tonight. intended to halt a drain on foreign reserves, which are expec-ted to be depleted in a fort-

Mr Robinson's Government has been talking to the Inter-national Monetary Fund about loans for balance of payments support, and diplomats in Port of Spain, the capital, suggested that the devaluation could be one measure of "establishing a basis" for the negotiations.

Best news for bald Upjohn investors

By Martin Stanbridge in New York

BALD men in the US, and investors in Upjohn, the Kala-mazoo, Michigan, based pharmaceutical group, were yester-day appraising the news that the US Food and Drug Administration had approved market-ing of the minoxidil anti-bald-

The company has been trying for two and a half years to
win the right to sell the drug,
known under the trade name
Rogaine, in the US. Now all it has to do is set a price for the drug, which is already sold under prescription as Regaine in more than 40 other coun-

Analysts believe it will have annual sales in the US of between \$100m and \$200m (£118m). For the last full year Upjohn had sales of \$2.51bn.

The projected Rogaine sales assume that 30 per cent of America's 8m balding men are of the right age to be interested in the product, 20 per cent of these will actually try it and a third of those will stick with it. This is more than in Europe,

partly because at first the drug will have US patent protection. Also, analysts say, there is traditionally greater market pene-tration of new products in the US. Total overseas sales of

and are expected to amount to \$50m in the current 12 months. However, although analysts believe Rogaine will have a marked effect on Upjohn's

Regaine were \$30m last year,

share price in the medium-tolong term, they feel investors are nervous about the uptake of the drug. On a number of occasions in the past Upjohn's share price has fallen on news of medical reports casting doubts on Rogaine's efficacy.
As for America's balding

men, they will not know whether to be pleased by the news until Upjohn sets a price

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Interim report and notice of interim dividend

s of the corporation and its es for the six months ended June 30 1988, together with ding figures for the six months ended June 30 1987 and the year ended December 31 1987. These should be read in conjunction with the

	months	months	Year ·
	. ezded	ended	ended
	30.6.88	30.6.87	31.12.87
	<u>R million</u>	R million	R million
Turnover	2 123	1 691	3 546
Earnings from operations	345	212	473
Share of earnings of associated companies	88	63	164
Dividends	43	36	63
Retained earnings	45	27	101
Income from investments and		_	
interest earned	44	54	69
	477	329	706
Finance lease charges	38	37	74
Interest paid	29	54	40
	67	91	114
Earnings before taxation	410	238	592
Taxation	135	52	127
Earnings after taxation	275	186	465
Outside shareholders' interest in earnings of subsidiaries	74	_ 54	119
Earnings attributable to ordinary shareholders	201	132	346
Number of ordinary shares in issue (000)	53 685	50 828	53 600
Earnings per ordinary share* - cents	375	253	663
Dividends per ordinary share - cents	85	65	225
Interim	85	65	65
Final			160
Capital expenditure for period – R million Capital expenditure commitments –	122	89	178
R million	339	80	107
Group capital employed – R million	4 412	4 095	4 126
Group borrowings - R million	1 036	1 312	1 122
*Based on weighted average number of 53 6 for the period.	22 150 ordii	nary shares	in issue

highly enthusiastic about space and had already decided to become a spacecraft disclosed in the latest annual report.

> 3. At June 30 1988 all foreign currency loans taken up by Amic's subsidiary companies were fully covered by forward exchange contracts. In the period under review, the group has brought to account extraordinary charges of R2.2 million (1987: R0.9 million). These relate to the group's share of extraordinary losses in subsidiaries and associates. The texation charge includes deferred tax provisions of R93 million (1987: R23 million).

The South African economy performed strongly during the first half although the greatest demand was concentrated in consumer related products whilst growth in new capital investment remained unsatisfa ow. The strong resurgence in world metal and commodity prices, accompanied by a progressive depreciation in the rand, benefited most subsidiary and associated companies with notable performances being recorded by Highveld, Mondi and Boart. As a result, attributable earnings per share have increased by 48 per cent as compared to the same period in 1987 and the interim dividend has been increased to 85 cents per share (1987: 65 cents). Earnings for the year are expected to show a significant improvement over 1987 although second half results will be progressively ffected by a decline in the rate of growth in the South African economy following the imposition of tighter credit conditions and higher import

For and on behalf of the board W G Boustred Directors

Interim dividend No 49

On Thursday, August 18 1988, the directors of the corporation declared interim dividend No. 49 on the ordinary shares as follows: 85 cents per share

Amount (South African currency) Last day to register for dividend (and for changes

Registers closed from Saturday, September 17 Saturday, October 1 Ex-dividend on The Johannesburg Stock Exchange and on The Stock Exchange - London

Currency conversion date for sterling payments to shareholders paid from London Dividend warrants posted

Payment date of dividend Rate of non-resident shareholders' tax The full conditions relating to the dividend may be inspected at the

Johannesburg and London offices of the corporation and its transfer

By order of the board Anglo American Corporation of South Africa Limited

per D J Alison Divisional Secretary

Transfer Secretaries Consolidated Share Registrars Limited 1st Floor - Edura Johannesburg 2001 (PO Box 61051 Marshalitown 2107) South Africa

44 Main Street Johannesburg 2001 (PO Box 61587 Marshalltown 2107) South Africa

Registered Office

London Office 40 Holborn Viaduct

Hill Samuel Registrars Limited London SWIP IPL

August 19 1988

되의대

Friday, September 16

Monday, September 19

Monday, September 19

Thursday, October 20

Friday, October 21

US shuttle maintains its mystique Peter Marsh visits Kennedy Centre, one of 2.5m people this year HE SHUTTLE has been grounded for too long. You have to move on.

That was the bullish view of Mrs Pat Saylor, one of the 2.5m people who this year are visiting the Kennedy Space Centre in Florida, where the US space shuttles are launched.

Mrs Saylor, a grandmother from Pennsylvania, was at the centre this month as the base was creaking under the strain of its summer onslaught of

Some 370,000 people turned up at the centre last month, the largest number for a single month since the base opened its doors in 1966. August looks likely to top that. The special attraction this summer is that, if all goes to plan, the shuttle fleet should soon be flying again after a break of two-and-a-half years caused by the Challenger disas-

ter in January 1986.
Tourists have had the first chance since then to gape at a space shuttle on the launch pad at Kennedy, which is where Discovery, one of the three vehicles in the fleet, is being prepared for lift-off later this year.

The stream of tourists at Kennedy, who add up to one of the biggest commercial spinoffs of the space programme, make it likely that the number of visitors this year will exceed the record attendance figure

Carlon Contraction

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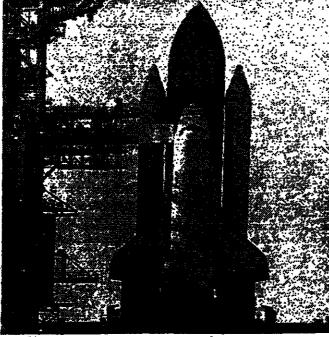
· 正· 哈马·

The US National Aeronautics and Space Administration (Nasa), which runs the Kennedy centre, is charged by Congress to be as open as possible about its activities.
At the Florida base, visitors spend most of their time in a

special area well away from the main Nasa operations. Here they can, without charge, wander around several buildings which house imaginative exhibitions telling the story of space flight. Outside, there are real rockets to inspect, including the Saturn vehicle that

took Americans to the moon. shuttle haunch pad. Another people since 1986, are a vital part of this policy.

The tourist of the policy. For \$4 (£2.36) visitors get a



The shuttle Discovery: due for lift-off later this year

as a five-storey building which shows a 25-minute film about the space shuttle.

So far this year about 1m people have seen the movie at Kennedy. The photography in the film, which features magnificent pictures of the Earth taken from the shuttle and several transfer of the second trans eral inspirational shots of the vehicle taking off, is of such quality that even a hard-boiled sceptic of space extravaganzas could hardly fail to be

That, of course, is the intention. The fees for the various attractions are deliberately kept low to encourage as many visitors as possible.

Nasa is highly aware that to keep up support for its activities in Congress - where it is not overwhelmingly popular and where it sometimes has to fight hard for its annual budget allocation, now \$9bn a year it has to win the hearts of the public. The visitor activiKennedy are run under con-tract to Nasa by TW Recre-ational Services, a subsidiary

of Canteen — a leisure-services company which among other things operates Yellowstone National Park and several restaurant chains. Mr George Megniar, market-ing manager at TW Recre-

ational Services, does not divulge the financial details of

his company's operations. Nor does he say too much about the terms of the Nasa contract. The revenue from tours and the space-shuttle film, bol-stered by sales at the centre of souvenirs and fast food, is thought, however, to add up to at least \$30m a year. This is enough to provide what Mr Meguiar, a fan of the space programme who has been at the Kennedy centre since the visi-

tor operations started, says is a Roughly half the profits from the visitor activities go into a fund to expand facilities for tourists at the centre. The fund is paying for a \$3m mock-up of life inside a space station, simi-The tourist operations at lar to the one Nasa hopes to

should be open later this year. According to Mr Meguiar, TW Recreational Services has also invested large sums of its own cash at Kennedy, including \$13m spent on a fleet of tour buses and improvements to buildings. The company employs 250 people full-time on the visitor operations and up to 250 part-timers.

Mr Meguiar thinks the rising trend of visitors to the centre will continue for the foreseeable future. He says the Chal-lenger accident, which killed seven astronauts, has not in twice about the wisdom of manned space travel.

"The public did not view Challenger as a failure," said Mr Meguiar. "The space programme is ploughing new fields. Whenever you lds. Whenever you do something new there are bound to be accidents."

Indeed, while during the 1970s there was a clear correla-tion between the number of visitors and the level of US manned space activity, public interest in the space programme, as measured by atten-dance figures, has if anything increased following the Challenger explosion.

Outside Mr Meguiar's office,

not everyone is quite so sure about the positive aspects to space travel. Mr Sam Ainsworth, who had travelled to Florida on holiday from Liver-pool with his disabled son, said money from the space programme should be spent on Earth, on improving life for disabled people for example. Much more confident, how-ever, was Josh Jones, aged 12, from St Louis. He said he was

Probably summing up the more mixed sentiments of the majority of the visitors was Ms Shannon Beimers, aged 18, from Michigan, who said: "I was always in favour of the space programme but the Challenger accident scared me. On balance I think we should keep going to find out what is out there, and to learn new things

for the future."

Anglo American Industrial Corporation Limited

AMIC

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terim repo	PT.		
e following are th	ne unaudite	i financial	results
reidiaries for the			

	312	JEX	
	months	months	Year
	. ended	ended	ended
	30.6.88	30.6.87	31.12.87
	R million	R million	R million
Turnover	2 123	1 691	3 546
Earnings from operations	345	212	473
Share of earnings of associated companies	88	63	164
Dividends	43	36	63
Retained earnings	45	27	101
income from investments and			
interest earned	44	54	65
	477	329	706
Finance lease charges	38	37	74
Interest paid	29	54	40
-	67	91	114
Earnings before taxation	410	238	592
Taxation	135	52	127
Earnings after taxation Outside shareholders' interest in earnings	275	186	465
of subsidiaries	74	. 54	119
Earnings attributable to ordinary			
shareholders	201	132	346
Number of ordinary shares in issue (000)	53 685	50 828	53 600
Earnings per ordinary share* - cents	375	253	663
Dividends per ordinary share - cents	85	65	225
Interim	85	65	65
Final	_		160
Capital expenditure for period – R million Capital expenditure commitments –	122	89	178
R million	339	80	107
Group capital employed - R million	4 412	4 095	4 126
Group borrowings - R million	1 036	1 312	1 122
*Based on weighted average number of 53 6 for the period.			
Notes:			
1 D	additional 9	4 512 andi-	

1. During the six months to June 30 1988 an additional 84 518 ordinary shares in the capital of the corporation were issued in terms of The Anglo American Group Employee Shareholder Scheme and in terms of the corporation's Share Incentive Scheme for senior executives. 2. There were no material changes in contingent liabilities from those

Death changes the political map

Christina Lamb on the parties now their common object has gone

HERE IS an air of expectation in Pakistan today. The shops may be closed, the streets may be empty, but inside every house avid discussions are progressing, as many people contem-plate for the first time life after

Usually the untimely death of a head of state who had been in power II years would engender anxiety. Since the news of Zia's death broke, the only fear here has been of a recurrence of martial law. So far, the military have shown no signs of wanting to take power, adhering closely to the constitution and keeping a low profile, leaving civilian forces to patrol the streets. Mr Ishaq Khan, the Senate chairman, has been made president, as stipulated by the constitution. Up till the moment he died, President Zia kept the nation guessing as to his intentions.

He had announced non-party elections to be held in November, but many doubted they would go ahead. His most recent statements, with their ominous rhetoric about the virtues of the Islamic system, and announcement that the future assembly would be partyless. led many to believe that he intended to introduce a presidential system, but no one really knew. Even the form that the election were to take was a mystery - though on a non-party basis, parties would still be allowed to back candi-

The whole pattern of Pakistani politics has changed with Gen Zia's death. No longer is it

A MAN STRONG FOR ISLAM

Stressing his desire to see a spread of Islam, President Zia said one of his greatest wishes was to be able to pray in a mosque in liberated Kabul. He

mosque in liberated Kabul. He believed passionately in the cause of the Aighan Resistance and described the Geneva accord

and described the Geneva accord as a "lig leaf".

The late president was not without a sense of humour. He recounted a tale of a state visit to Paris, at which he strived wearing a traditional long-sleeved, black, knee-length tunic.

President Mitterrand gave frequent disconcerted glances at his Pakistani counterpart. Eventually as they were going into dinner he asked an aide to try and remove his "overcost". Aghast, President Zia was forced to explain that in fact he was wearing nothing undernagh the tunic.

the non-party assembly, as the Government's party, attracting to his side all eager for power. After dismissing the Govern-

ment, Gen Zia had made it clear that he would like to see

a strong Moslem League but with someone of his choice at

the helm. His three caretaker

chief ministers all quickly

became provincial party chiefs of the Moslem League. Gen

Fazle Haq, the chief minister of

North West Frontier Province, had long decried the party as a

"dead horse", but on presiden-

tial instructions joined the

Moslem League the day after his appointment in June.

Two days later, he was unan-

imously elected provincial

the Financial Times.

There is no doubt that he believed passionately in Islam, whether or not it was a political tool for him. Even his greatest detractors called him a pious man, and his humility has been described as such that he could described as such that he could convey two handshakes and an embrace in a single glance.
During the interview he said he wished to be remembered as a "humanitarian who did his best to bring islam to Pakistan". "Previous rulers tost power for trivial reasons such as the rigging of elections. I believe I have remained in power for 11 years by the grace of Allah to carry out his mission."

President Zia sald he wanted to retire while he was on top "like a good sportsman" so that he could devote more time to gotf and his

woman defying the dictator who hanged her father. Ms Benazir Bhutto, daughter of the late Prime Minister Zulfigar Ali Bhutto, said Gen Zia's death had removed the shadow under which all those dedicated to democracy had been

The weeks since the recent dismissal of the Government have seen a coming together of the most unlikely parties.

The only sizeable party remaining outside the platform was the Moslem League, long known as the King's Party. Former Prime Minister Mohammed Khan Junejo crethe case of a battle of a lone of the Moslem League - inside

associates of the President made no secret of their intention to wrest the party from Mr Junejo, even forcibly prevent-Junejo as president from going ahead on Saturday.

Gen Zia's death will have

caused serious damage to both factions of the Moslem League. Without his backing, the days must be numbered for the three strong men of the prov-inces, while the Junejo faction will no longer be able to rely on a sympathy vote for their treatment by the President. The greatest beneficiary of Zia's death must surely be the Pakistan People's Party (PPP). Already their flags have gone up all over Pakistan's cities,

But if the new President yields, as expected, to pressure to hold party-based elections, there will be a free-for-all among Pakistan's many par-ties. The fragile unity of the umbrella alliance of nine opposition parties, the Movement for Restoration of Democracy, of which the PPP is the largest member, is likely to crack.

instead of the black mourning flag recommended by the Gov-

United only on a one-point programme to oust Zia, the leaders have never trusted each other and the PPP may feel it no longer need to carry the other MRD members in tandem. Although even Benazir Bhutto no longer talks of a sweeping majority of 60 or 70 per cent, she must now feel that the field is wide open to her, the King's Party having



Benazir Bhutto: no longer a lone battle against the dictator



Period of uncertainty likely in US-Pakistan relations

By Lionel Barber in Washington

THE DEATH of President Zia removes a leading pro-Ameri-can force in an unstable region of the world and opens up a period of uncertainty in US-Pa-

kistan relations. US officials said yesterday US officials said yesterday that the Reagan Administration wants – and indeed predicts – continuity in the relationship, which blossomed almost solely as a result of Gen Zia's support of the Afghan resistance battling Soviet forces in Afghanistan.

A US official, noting the dominance of Gen Zia since he seized power in a military can

seized power in a military coup in 1977, said: "Obviously this is a sea change. But there was more to our relationship than just one man." Gen Zia's death comes at a

particularly sensitive point in the region's affairs, said Miss Jean Kirkpatrick, former US Ambassador to the UN. Washington has set great store by the Geneva accords signed this year providing for the staged withdrawal of 120,000 troops in Afghanistan, to be completed by next February, saying that it represents a test of Mr Mikhail Gorbachev's good faith in the superpower relationship and affects other issues such as arms control.

The death of General Zia introduces several new calculations relating to Afghanistan.

• Under the Geneva Accord, both Moscow and Washington retained the right to supply

Soviet puppet regime in Kabul and the Aighan rebels respontively. The death of Gen Zia may influence what is already a delicate symmetry regarding

arms supplies.

Under Gen Zia's rule, Pakistan intended to pursue influence over a future Afghan governous at the ballance to ernment. He is believed to have favoured the most mili-tant guerrilla chief, Mr Gul-buddin Hekmatyar, in the dis-tribution of weapons. If the next Pakistani leader does not continue murant of Mr Habras. continue support of Mr Helma-tyar, there could be power shifts among the guerrillas.

Last April an ammunition dump exploded near the capital of islamabad, killing hundreds of seridents. Many Pakistanis

of residents. Many Pakistanis of residents. Many Pakistanis blamed the Aighan secret police, which is heavily influenced by the Soviets. If Pakistanis believe that the Afghan secret police was behind Wednesday's aeroplane explosion, there could be complications in Pakistan's relations with the Soviet Union.

with the Soviet Union.
The circumstances surrounding the explosion of the Pakistani Air Force plane are still unknown. But the fact that the American ambassador, Mr Arnold Raphel, and the chief American defence attache in Pakistan, Brig Gen Herbert Wassom, were aboard is indicative of the closeness of the relationship.

Both Americans were accom-panying President Zia and 10 of Pakistan's senior army officers

to a field demonstration of the M-1 tank, which Pakistan was considering buying from the US. Pakistan and the US enjoy. military co-operation and hold regular talks at sub-cabinet

Since the Aighan war started, Washington has provided more than Etha in aid to lelemahed. While the nuclear issue has cropped up frequently, it has only been a source of controversy in the US. source of controversy in the US Congress. The Reagan Admin-istration has always put the future of Afghanistan in first

Place.
Preoccupation with Aighanistan has also allowed the US to put aside its differences with the Zia regime. US officials have largely remained silent over the general's crackdown on the domestic opposition and have found his Islamic funda-mentalism far less of a problem than, for example, the version

tionship with Iran, its neigh-bour and trading partner, has not been an issue; nor Gen Zia's criticism of the US milltary build-up in the Guif.
The death of Gen Zia means that Washington policymakers

will have to focus not just on the external threat in Afghanistan, but on the internal problems in Pakistan which are bound to arise after II years of martial rule by a man who thoroughly dominated Paki-

Problems of assessing a singular economy

By Christina Lamb in Islamabad

is no easy task. On paper it is doing well, averaging an impressive growth rate of 6 per cent per annum and recently commended by the World

But over the last few months something strange seems to have been happening. In May Dr Mehbubl Haq, the then Planning Minister,. claimed that the economy was doing well.

Shortly afterwards the Government was dismissed. Dr Haq was made caretaker Finance Minister and began

ASSESSING Pakistan's supporting Gen Zia's view that the economy was "on the verge of bankruptcy"

Last week he had changed his mind again. Addressing an astounded press, he said the economy was doing "remark-

The truth is, it seems, that no one really knows. So much of Pakistan's money comes from drugs and smuggling that the black economy far outstrips the official one. Rather than showing con-

cern for this, the Government seems to have decided to make the most of it, and is in the process of creating a govern-

ment laundry scheme to allow black money to be invested in industry and government projects, so legitimising it.

Even more bizarre, the Government is spending millions of rupees explaining what Dr Haq really meant by his budget speech in June, and pacifying businessmen by saying his talk of harsh income tax measures was not meant to apply to them and adding that in fact the confusion had been created

For the first time in Gen Zia's rule both traders and the powerful business community seemed to have turned against him and over the past few weeks an increasing number of concessions has been made to stop them striking.

The Government's own economic survey for 1987-88 admit-ted that income distribution, both rural and urban, had worsened, even compared to the days in the 1960s when 22 families controlled two-thirds

of the country's wealth.

A big hindrance to the development of Pakistan economy is the lack of investment. Pakistan has one of the lowest rates of saving and investment as a proportion of gross national

Key player on the Indian sub-continent THE sudden death of President Robert Graham reports

Zia has removed, albeit temporarily, Pakistan from being one of the key protagonists on the Indian sub-continent and in parts of Asia and the Middle

Analysts believe that who-ever rules Pakistan will continue the country's historically antagonistic relationship with India, particularly while the issue of Kashmir is unresolved. But elsewhere relationships

are in a state of flux.

The beginning of the Soviet withdrawal from Alghanistan under the April agreement in Geneva has opened up the pos-sibility of Pakistan mending its fences with Moscow and by the

on relations with Afghanistan and India

heavy dependence upon the

At the same the moves to end the Iran-Iraq War and the prospect of the Khomeini regime seeking to establish a better dialogue with the West raises questions about the continued strength of the Islamic movement within the region - a movement which the late President Zia studiously

Reaction in New Delhi yes-terday among senior officials' could be summarised as fol-

see a pliant Islamic state establows: "No matter who rules lished in Afghanistan, Signifi-Pakistan, we do not foresee an cantly, the officers who died easy or early end to friction accompanying the late presibetween the two countries." Despite much-heralded promises almost three years dent in the airpiane crash on Wednesday were all closely identified with his Afghan polago after President Zia met Mr

Rajiv Gandhi, the Indian Pre-mier, few practical measures have been carried out Crucial to the short term will be the attitude of the Pakistani military to the late president's policy towards the Afghan guerrilla movement. The latter, though bitterly divided, scents the chance of victory as the Soviet troops withdraw from Afghanistan. President Zia gave every material support to the guerril-

las and appeared determined to

Continued support for the guerrillas risks not only invok-ing Soviet retaliation, direct and indirect, but could also embroil the Afghan Army more directly in cross-border reprisals, which would in turn destabilise Pakistan. Conversely, moves to accept a negotiated peace between the Afghan opposition movements and the Najibullah Govern-

ment in Kabul could remove

the major source of instability

intently for signs that the country intends to follow more

open economic policies. The hope is that the package of eco-

nomic reforms approved in

Rangoon last month, which

include laws to promote joint

OTHER OVERSEAS NEWS

Mandela question | Lebanese dominates Botha party conference

THE BATTLE of wills between South Africa's two most impor-tant political leaders, President P.W. Botha and Mr Nelson Mandela, the jailed African National Congress leader, took centre stage at the opening of the Ruling National Party's provincial congress in Durban yesterday.

Departing from his prepared

speech Mr Botha, leader of South Africa's largest white tribe, called on the ailing 70year-old leader of Africa's oldest black nationalist movement to help him make possible "a human solution." Mr Mandela, who has been

in jail since 1962, is in Cape Town's Tygeberg Hospital being treated for what his lawyers say is tuberculosis. "Personally I don't think that at his age and in his condition it would be wise for Mr Mandela to go back to jail." Mr Botha said. "I hope he will make it possible for me to act in a humane way." Then, in a con-fusing phrase, Mr Botha added: "If we get the co-operation we have had so far from him I believe we will get positive results."

The implication appeared to be that Mr Mandela, who has previously rejected all offers of a conditional release, was now

changing his mind.

Thus far there has been no evidence of this from Mr Mandela's entourage. Nor did Mr Botha indicate any relaxation of Pretoria's own stated preconditions for releasing Mr Mandela. Indeed Mr Botha went out of his way to restate

them.
"I am prepared to release Mr Mandela if he would say he rejects violence as a means to reach political ends and does not start campaigning for a process of violence in South Africa," he said.

He left a clear impression, however, that he would like to release Mr Mandela before he dies and becomes both a martyr to the struggle for black liberation and the inevitable focus of a new round of international sanctions and other attacks on "the racist Pretoria regime." But Mr Botha made it equally clear that he had lost none of his determination to cling on to power, was deter-mined to press ahead with con-



Mandela: co-operation sought

troversial changes to the Group Area's Act and was pre-pared to make as few concessions as possible to the black

majority.

Before raising the Mandela issue, Mr Botha unequivocally told the assembled party faithful: "We are standing firm as a nation of white people prepared to co-operate with our black and coloured fellow citizens but only on the basis of respect for each other's interests and each other's futures." That is Pretoria's shorthand for continuing the neo-apartheid system.

He then added: "I am not considering even to discuss the possibility of black majority rule in South Africa. I am not prepared to create chaos in the name of so-called human rights. Under my leadership a black majority government will never happen."

Mr Botha's unequivocal refusal to discuss the possibil-ity of black majority rule hardly seems designed to encourage concessions from Mr Mandela or the ANC leadership in exile. He warned the ANC that it would never win the arms struggle: "They may be able to throw 20 or 30 bombs but we will keep catching them and putting them in jail and in

their place."
He called on the ANC to lay down its arms and negotiate. "Let them lay down their weapons, let them come back to South Africa, let them sit at the conference table and we shall make it possible for them

to talk to us," he said.

election fizzles out

By Tony Walker

LEBANON'S attempt to elect a when the largely moribund Parliament, which was due to vote on a new head of state, failed to reach a quorum.

Mr Hussein Husseini, the
Speaker, adjourned Parliament after only 38 deputies appeared, well short of the 51 required.
The Lebanese Forces militia

had prevented a number of MPs attending the session to frustrate the election of Mr Suleiman Franjieh, a 78-year-old former president. Christian hardliners opposed Mr Franjieh's election because of his close links with Syria. Mr Husseini did not nominate a date for a fresh attempt to select a successor to Presi-dent Amin Gemayel, whose six-year term expires at the

end of September. Efforts to agree on a Christian candidate acceptable to the various confessional groups in Lebanon will now be given fresh impetus, but judging from yesterday's chaotic first attempt to elect a president there is no certainty a consensus figure will emerge. Mr Karim Pakradouni, the influential deputy commander of the Lebanese Forces, described the postponed election as a victory for right-wing

Christians.
"They [Franjieh's supporters] were not able to mass even a simple majority of 40 deputies, let alone the twothirds majority required for a quorum," Mr Pakradouni said-in a radio broadcast. "That means Franjieh is out. Lebanon will not have a confronta-tional president."

Meanwhile, Islamic Jihad, a pro-Iranian group holding at least two Americans hostage, said yesterday that it would not release its captives unless all its demands were met. Among these demands is the release of Lebanese and Palestinians prisoners held in Israeli jails and the withdrawal of the Israelis from

south Lebanon. Three Britons, including Mr Terry Waite, the Archbishop of Canterbury's special envoy.

Lake Nasser, a spokesman are among 18 foreigners held hostage in Lebanon by Shia Moslem groups linked to Iran.

Lake Nasser, a spokesman said. But rain has also been extensive in Ethiopia, the Nile's main catchment area.

Lebanese presidential Japanese head queue for Burmese business Stefan Wagstyl reports on Tokyo's hopes if Burma opens doors to the outside world

outside world, some of the first people to come calling will be Japanese. Japanese govern-ment officials say that if Burma asks for foreign help, Japan could have a unique role to play because of the historic links between the two coun-

The officials add they will have to be extremely discreet, given Burma's single-minded commitment to being a non-aligned nation. However, any increase in Japan's influence in Burma could raise its political profile in the region as a whole.

This would square with Japan's growing willingness to use its economic power to extend its regional political influence – as long as this does not antagonise the many countries in East Asia which were attacked by Japan in the Second World War. The US, in turn, would be happy to see Japan playing a leading role in supporting Burna and other South East Asian nations, given its desire to reduce its share of the cost of promoting Western interests in the

Japan's connections with Burma date back to the war, when Burmese soldiers formed a Japanese-backed independence army to fight against the British. Among them was Gen-eral Ne Win, who finally seized

F THE political crisis in
Burma ends with the country opening its doors to the
try opening its doors to choose a replacement for President Sein Lwin, forced to resign last Friday after a week of violent anti-government riots.

Demonstrators have promised to resume nationwide protests, in which thousands were shot dead by the army last week, if the party chooses another leader like U Sein Lwin who is unacceptable to them.

Key party members have been holding emergency meetings all week but according to diplomats in Rangoon there are no signs of who will emerge on top: a hardliner who again digs in against the countrywide protest or a moderate who backs a transition from one-party rule to

In the longer term, the decision affects whether Burma can introduce promised economic reforms in a country driven to its knees by 26 years of whimsical, autocratic socialism

complete power in 1962 and and gemstones.

ruled Burma with an iron hand

until his resignation as presi-dent this summer plunged the

country into political turmoil.

In the early 1950s, as one of Asia's wealthiest countries, Burma supported war-shat-

tered Japan by exporting 300,000 tonnes of rice a year.

of authoritarian socialism

gripped Burma, so the country's economy was stifled and

trade with Japan, as with other countries, dwindled. Last year,

Japanese exports to Bur-ma – mainly machinery and vehicles – totalled \$175m and

imports amounted to just

\$34m, including food, timber

But as Gen Ne Win's version

behind the scenes.

The protesters, led by students but widely supported by workers and, increasingly, the middle class, have also called for cuts in rice prices, the release of the thousands of political ers and compensation for those who died

Hundreds of students yesterday protested outside Rangoon General Hospital, the scene of one of the bloodlest attacks last weeks by the army on medical workers, and some handed out leaflets calling for an immediate resumption of marches in defiance of martial law and the dusk-till-dawn curfew, diplomats said. Other reports said there were marches in Mandalay, limited protests on the streets of Rangoon, and: strikes in oil fields and some factories outside-

> irritated at Burma's apparent refusal to adopt less restrictive economic policies. A growing belief that Japan was merely throwing good money after bad, was reinforced by the sight of rising arrears on soft loans pro-vided by the Japanese Govern-

As a result, something of an intramural argument developed about future policy between the Japanese Ministry of Finance – which was reinc-tant to extend more loans until the old ones were paid off
- and the Ministry of Foreign
Affairs, which was ready to be more accommodating.

Japanese government officials are now watching Burma about Burma's tibilities as it past 40 years.

ventures, will come into effect. In this event Japan could increase greatly the flow of aid. In addition, Japanese businessmen will almost certainly be among the first to seek investment opportunities. If all this happens - a big if as long as there are tanks on the streets of Rangoon - then Japan's role as a regional political power could be enhanced.

Japanese officials say that one impact of increased Japanese support for Burma would be to make it less likely for the Burmese to go for aid to the Soviet Union or China. This in turn would allow the countries of the Association of South East Asian Nations to

backed neighbours, Laos and Kampuchea. tries. But for this reason, Japan has to be as careful

The fact that Burma is a self-avowedly non-aligned nation makes it somewhat easier for Japan than for the US to act as a channel for the interests of capitalist counabout Burma's unique suscep-tibilities as it has been in the

Win's resignation, some Japa-nese officials were becoming Egypt looks forward to replenishment of Nile Teft 8 dead'

By Barbara Slavin in Cairo AS THE Sudan braces for more devastating flooding, Egypt is eagerly expecting an aboveaverage replenishment of its huge reservoir behind the Aswan High Dam and a respite from the long drought that has

cut its power and food produc-tion. Egyptian officials said more than 9bn cu m of water has flowed into Lake Nasser, on the borders of Sudan and Egypt, since July 21, when the Nile began its annual flood. The torrential rains that have devastated the Sudan in the past two weeks have had only a "very partial effect" on Lake Nasser, a spokesman said. But rain has also been

A foreign irrigation expert said Lake Nasser was rising by: about 20 centimetres a day, compared to the average daily flood rise of 10cm to 15cm. Lake Nasser, a 500km-long reservoir, now holds nearly 48bn cu m of water. Its level has risen since July by more than 4 metres from a low of 150 metres at the Aswan High Dam, just three metres above the point at which Egypt might have had to shut down the power station which supplies about a quarter of the coun-

Already, the low level of the lake has reduced power genera-tion and water released for irrigation. Rice acreage was cut this winter by 8 per cent.

try's operational electrical

Israeli beatings By Tony Walker

Despite despairing of the

Burmese economy, Japan has continued to provide the bulk of Burma's aid, giving 55 per cent of a total of \$457m in 1985.

Most of this money has gone for water supply and irrigation schemes, plus a recent sum for

the renovation of Rangoon air-

the form of low-interest loans. But the grant element has been increased in the last year, after Burma was given Least Developed among Developing Country (LDDC) status by the UN.

However, before Gen Ne

Most of these funds were in

AT LEAST eight people died among thousands who were beaten by the Israeli armed forces in their efforts to suppress Palestinian riots in the occupied territories, Amnesty international has reported.

The human rights organisa-tion listed eight deaths by beating, six in the first half of February, soon after the Israeli authorities instituted their beatings policy.

Amnesty said the policy of beatings was continuing, and instructions for restraint were

frequently ignored. "Amnesty International's information indicates that the beating of Palestinians in the custody of member of the Israel Defence Forces continues on a daily basis, even if not on the previ-ous scale."

N-E Asia MPs urged to meet on regional tensions

By lan Rodger in Tokyo MR KIM YOUNG SAM, leader of the second largest opposition party in South Korea, has called for a conference of North-East Asian parliamen-tarians to help ease tensions in

Speaking to foreign correspondents in Tokyo yesterday, Mr Kim, who is leading a Reunification Democratic Party delegation to Japan this the area. week, proposed that parliamen-week proposed that parliamen-tarians from the US, the Soviet on one side and the people on Union, North and South Korea, Japan and China should attend

the conference.

improved in the region, espe-cially among the countries that do not have diplomatic rela-tions with one another. South Korea does not have diplo-matic relations with China

matic relations with China, the Soviet Union or North Korea. He said it might be easier to begin by having parliamentar. ians rather than government officials meet each other. "We iparliamentarians] are sand-

the other, he said.
Mr Kim was particularly MPs from both North and South Korea are to have a first meeting in the border village of Panmunjon today.

Leagur to improve contents when the reunification of the two koreas. He acknowledged that the unification process would take a long time after nearly 40. eager to improve contacts with Mr Kim said there was a take a long time after nearly 41 great need for contacts to be years of separation.

in Iran. Indeed, Pakistan's close rela-

breathe more easily, especially Thailand, which borders Burma and has two Soviet-

W German meat NZ dairies exports hit by hormone scandal

By David Goodhart in Bonn

WEST GERMAN meat exporters are starting to suffer from the publicity surrounding the discovery of illegal hor-mone injections in several thousand calves mainly in the

north-west of the country.
Yesterday Greek customs officials amounced that they were holding up about 650 tonnes of German meat pending the result of their own hormone tests. And several of the major meat exporters - mainly in the south of Ger-many - have reported a sharp fall-off in demand, and not just

for veal.

A total of 15,000 calves are thought to have been injected with the growth-inducing hormones, also believed to cause cancer in humans, and the slaughter of those worst effected has begun.

However the hormone scan-

dal has rekindled the debate within Germany, and between Germany and the European Commission, over the appropriate level of border checks on meat. It has also stimulated the anxiety that after 1992 Germany will be flooded with food imports that do not reach its own high standards of hygiene. Despite the fact that the calf

injections were carried out in Germany and the one farmer arrested to date is a German, the farming lobby and customs officials have seized on the scandal and turned it into a crusade against meat imports especially from the Nether-

lands.
The Netherlands, which contains some of the most efficient farmers in the EC, accounts for about 50 per cent of Germany's meat imports, some 500,000 tonnes a year. The Dutch already complain that Germany's border controls are too stringent and partly protec-tionist in inspiration, a com-

plaint which receives some backing from the EC. By the end of 1992 the whole apparatus of border controls is due to be abolished and the relocation of testing duties – and the level required – is still being debated

Bonn wants uniform rules throughout the EC on veterinary medicine and wants to raise the level of meat examination and control to the current German levels. In the meantime the German Government is also considering tougher penalties against its own "meat criminals."

Anti-dumping plea against Turkey, Mexico rejected

By Alice Rawsthorn

THE European Commission has rejected lobbying from the textile industry to take antiventure dumping action against Turkey and Mexico over their exports with Soviets of acrylic yarn to Europe. THE New Zealand Dairy Board In the last year or so the European spinning mills, concentrated in Italy and the UK; have been hit by job losses and has set up a joint venture with authorities in the Soviet

reports from Wellington.
The tie-up is aimed at developing Soviet Union's primary industry in exchange for imports of New Zealand dairy produce.

Union's Far East region, AP-DJ

in joint

Sovers, a board subsidiary dedicated to trade with the Soviet Union, will initially provide technical and marketing aid to exploit the resources on Sakhalin Island, the site of a big Soviet defence here. big Soviet defence base

The board is to help develop and export peat moss on the island on the understanding that a substantial proportion of the hard currency earned will be used to buy New Zealand cheese, butter and milk pow-

In the future, other resources such as fish, caviar, timber, minerals and fertilisers in the Soviet Far East may be exploited and exported as part of the agreement.

of the agreement.

The board stresses that the joint venture is not a deal based on bartering.

It says that perestroika, the policy that has led to decentralisation of Soviet economic decided and the strength of the stren decision-making, has provided the opportunity for the joint

mission for anti-dumping action, saying the imports

WORLD TRADE NEWS

were unfair competition.

The level of imports began to rise two years ago. In the UK, for example; the influx of Turkish yarn rose from 619 tonnes in 1985 to 4,514 tonnes, or almost a tenth of the market, in 1987. Imports from Mexico increased from 409 tonnes to 1,574 tonnes over the same period. Turkish imports have decreased this year, but Mexi-can imports are still growing. The Turkish and Mexican

yarn is being sold for less than it would cost to produce in the UK. This has depressed prices across the yarn market, imposing pressure on profitability at time when demand for acrylic yarn is poor because of the trend away from knitwear

to tailored clothing.
As a result the UK spinners have suffered falls in output and profits. There have been two mill closures - by Cour-taulds and Lister - and other companies have resorted to short-time working and redun-

The Italian and, to a lesser extent, the French spinners have also suffered. The Com-mission imposed quotas on Turkish yarn imports last year

dancies.

but European spinners said they were too high and Interlaine pressed for anti-dumping action against both Turkey and Mexico.

The Commission has now rejected the anti-dumping lobby, but Interlaine intends to continue pressing for more restraint on imports.

liquefied natural gas (LNG) to

Japan from fields off Hainan

Island in the south of the coun-

try. Miti has said, Reuter

reports from Tokyo.
Officials of the China
National Offshore Oil Corp told

Miti and several Japanese gas

and electric power companies that China was conducting

pre-feasibility studies on a field off the south coast of the island

Canadians join Milan transit system contract

By Robert Gibbens in

CANADA'S largest engineering company, Lavalin of Montreal has made a breakthrough in the European market by link-ing with Ansaldo of Italy to design and build a five-mile light transit system in Milan. Total value of the contract is C\$230m (\$187m).

Lavalin's subsidiary UTDC will adapt the computer-con-trolled Vancouver Skytrain ystem that it also hopes to sell

to Bangkok. The initial phase is worth C\$130m, of which C\$70m would go for the UTDC equipment.

The second phase would extend the system. UTDC said it would start building the transit cars at its Kingston, Ontario, plant immediately.

EC shoe probe

THE EC began an inquiry into a surge of cheap shoe imports from South Korea and Taiwan

Indonesia suspends aluminium shipments to Japan

By lan Rodger in Tokyo

factory closures due chiefly to the surge in imports of cheap Turkish and Mexican yarn.

Interlaine, the body repre-senting the European wool

industry, appealed to the Com-

THE Indonesian Government has suspended shipments of primary aluminium to Japan from the jointly financed Asahan smelter in northern Suma-

in 1982 under an agreement governing arrangements for offtake and exports. The suspension, which was apparently aimed at putting pressure on the Japanese to renegotiate the agreement on the project's output allocations, has upset the apanese Government.

Yesterday, officials at the Japanese Ministry of Interna-tional Trade and Industry (Miti) said that under the agreement, the Indonesian off-take was related to domestic demand. There was no need at the moment for the Indonesian share to exceed 41 per cent although it would undoubtedly rise in the future.

Miti officials say the unilat-eral action by the Indonesians runs counter to normal commercial practice. However, they are taking a cautious approach because they do not want to create undue tension with an important South East

The Y300bn (£1.32bn) Asahan project was financed largely by funds provided by the Japanese Government and alumin-ium companies. Annual output is about 200,000 tonnes. Japan's ownership stake is now 59 per cent and Japanese companies also take 59 per cent of the In March, the Indonesian side signalled that it wanted a

larger share of the output,

apparently to take advantage of the strong world market for aluminium. The Japanese side has been reluctant to meet the request, and last month the normal

9,000-tonne shipment to Japan was not sent.
The president of Japan Asa-

an, the Japanese joint ven-ture company in the project, plans to visit Indonesia soon to discuss the problem, but Miti said there would be no negotiations unless shipments

with help from Atlantic Rich-field of the US. The study, which began last July, is expected to be com-pleted in March, Miti said.

An official at the govern-ment's Japan International Co-operation Agency said the field's reserves were estimated at around 100bn cubic metres.

which it says may hurt Euro-pean manufacturers.

Hungary leads East bloc drive for Israeli trade

By Leslie Coliff in Berlin

HUNGARY is spearheading June this year. determined East European efforts to expand trade with Israel despite the lack of diplomatic relations between Warsaw Pact members - with the exception of Rumania - and

Budapest hopes to more than quadruple its annual two-way trade with Israel to nearly \$100m according to a member of the first Hungarian trade delegation to visit Israel in decades.

Israel, he said, could become a source of important technology for Hungary which in turn might sell goods jointly produced with Israeli companies tariff free in the US and EC.

Mr Sandor Demjan, chairman of the Hungarian Credit Bank, the nation's largest noted Hungary had made a "mistake" in severing diplo-matic relations with Israel in Hungarian and are "strongly 1967, along with all but one member of the Warsaw Pact, a Specific talks took place in

ing. Hungarian exports to Israel rose to record \$13.8m last year and were worth \$9m in the first six months of this year. Imports from Israel were \$8.6m in 1987 and \$5m to the end of

Mr Demjan said encouraging talks had been held with Israel's leading companies. He noted that several Hungarian firms have been successful on the Israeli market. He gave as an example bulbs exported by Tungsram, the Budapest light-ing company, illuminated the Wailing Wall in Jerusalem as

ter's office. Mr Demjan spoke of Israel's high standards in electronics, chemicals and agriculture. Yields of milk, vegetables and fruit were double those in Hungary and the adoption of Israeli technology he suggested would produce a gain of "several thousands of millions of forints for the national economy." He said the technology transfer would be aided by the fact that

move which sent trade plung. Israel on the transfer to Hungary of technologies for irriga-tion systems, cattle breeding, dairies, high nutrient fodder production and agricultural foil output in which the pros-pects of a joint venture were discussed.

De-mystifying the banks' approach to export markets By Nancy Dunne in Washington

FOR a window into the arcane world of MDBs (multilateral development banks), SPNs specific procurement notices), RFPs (requests for proposals), and IFBs (invitations-for-bids), to know who to call and even their phone numbers, there is a new "how to" exporters' hand-book" by Mr Nicholas Ludlow. a Washington procurement consultant.

It is a potentially lucrative read. Between 1983 and 1987, disbursements by the World Bank and the three regional multilateral development banks exceeded \$75bn. The World Bank alone disbursed almost \$15bn for projects in the last fiscal year, while committing \$19.1bn more in loans and modifies the devaluation countries credits to developing countries. In terms of export business to the Latin American debtors, it is about the only game around. While sales to develop-ing countries plummeted by 16 per cent between 1981 and 1986, MDB disbursements to those

nations rose 66 per cent. Mr Ludlow, who represents several companies, said his object with the book was to "de-mystify" the market and bring home the reality that any company, large or small,

can compete in it.

Most of the contracts handed out are for bank-funded projects in the \$10,000-\$50,000 range. But less than 5 per cent of British and 3 per cent of American exporters are actively involved in marketing People tend to say the mar-

ket is too complex, too bureau-cratic, too difficult, too big. That's nonsense! But nowhere else have companies been able to find practical information about what really happens." Mr Ludlow said he was concerned about the drop in the

British cumulative share of the development market, which ginm lost 16 per cent; Germany, 17 per cent; and the US, 12.6 per cent. But only the UK — whose exporters have particularly good records — lost share at all four development The handbook analyses the

10 sectors the banks lend for agriculture, education, energy, healthy, industry, telecommu-nications, tourism, transportation, urbanisation and water supply— and the 35 subsectors within those categories. It identifies 16 products required in the sectors and explains how companies can identify future

The handbook stresses the importance of grasping early on the bank's overall development strategy in various countries. A typical World Bank project germinates in about two years, but it is vital for many contractors to get in at

For hig equipment sales par-ticularly, if relationships are not established early enough, contracts may be lost before the hidding starts.

Included in the handbook are the inside stories of how

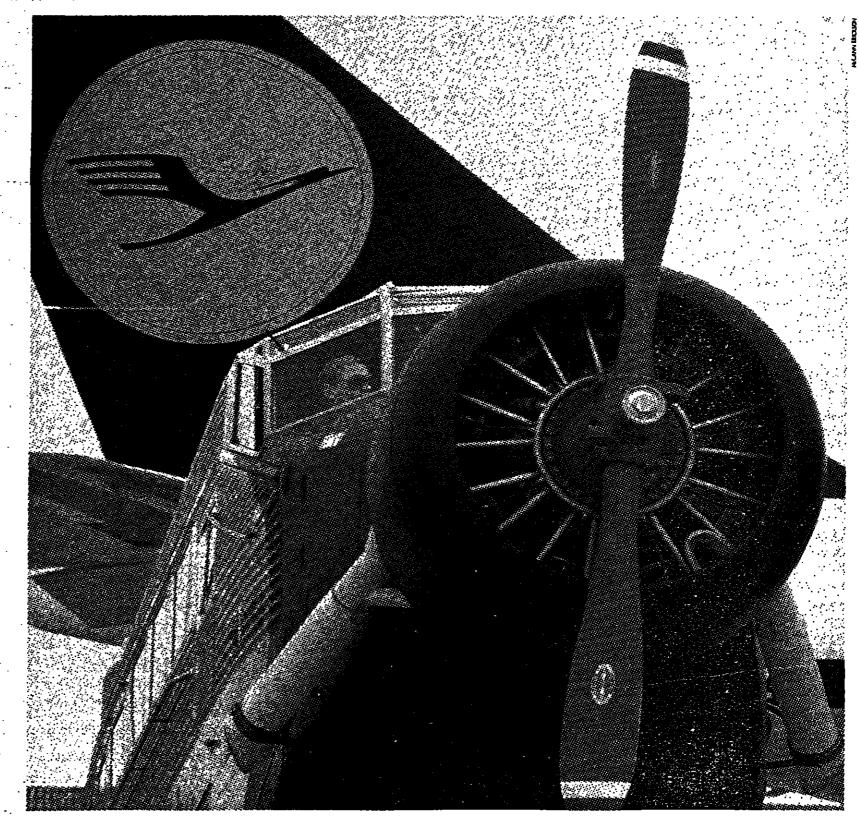
three companies have successfully competed in the MDB market, including one US concern that won a bid identified three years before the bid was issued. There is a graphically-like the bid identified three than the bid was issued. Illustrated guide to the bidding process, including a section covering the realities of the process in contrast to the offi-cial guidelines for bidding.

There are organisational charts for all the banks; telephone numbers for officials, listed by countries and sectors; key addresses and fax num-bers; and tips on how to get free information potentially

worth millions of dollars.

*A Practical Guide to the Development Bank Business," available from Development plummeted by 12.6 per cent between 1980 and mid-1987.

During that period, Sweden's 20006. Telephone 202 785 2971. Share fell by 23 per cent; Bel- Cost \$185 plus postage. **Aviation history and Lufthansa** grew up together.



Lufthansa

Have voir L.L.

UK NEWS

Fears of inflation persist despite buoyant economy

Money Supply

МО

industry continued to shed

1988. At the end of June there

were 5m employed in manufac-

turing, 22,000 fewer than at the

end of March and nearly 50,000

less than a year ago. Ralph Atkins writes: British

bank and building society lend-ing continued to expand rap-

idly in July, highlighting infla-

tionary pressures in the

lending totalled a record £9bn

last month. This was higher than expected by most City

analysts and compared with a

Figures show that MO, one of

the Government's key mea-

sures of the money supply, was

again growing outside its tar-

get range. In the 12 months to July, it increased by 7 per cent

Industrial investment hits peak

In manufacturing alone, cap-

ital expenditure rose by 9 per cent to a record level in the

three months to June. Invest-ment spending was 12½ per cent higher compared with the

The figures provide welcome news for the Government and

suggest that rapid growth in

consumer spending is being matched, at least in part, by

Mr Ian Harwood, UK econo-

said: "The economy is firing on all cylinders. It is not just

domestic demand - exports

and output are growing strongly as well."

before recent interest rate

rises, however. These could

restrict investment spending

by increasing the cost of bor-

The figures cover a period

same period a year before.

revised £8.8bn in June.

pace of economic growth.

The Bank of England said

THE EXTRAORDINARY buoyancy of the UK economy was again underlined when yesterday figures were released showing another large fall in unemployment, a record surge in credit demand and further evidence that British industry will invest more this year than ever before.

However, a rise in the underlying annual rate of increase in average earnings in manufac-turing to 9 per cent in June from 8 per cent in May, a fall in job vacancies and the large increase in lending heightened concerns over the outlook for inflation and lent support to the view that Britain was growing at an unsustainable

The figures cover a period in which the Government raised interest rates from 71/2 per cent to 10% per cent and before building societies increased their mortgage interest rates. Rates were subsequently raised to 11 per cent earlier this

The Treasury said that it would take some time before the effect of the tightening in monetary policy would show through in the official data. The figures underlined a belief in the City of London, how-ever, that interest could well rise to around 12 per cent by the autumn.

In July, for the 24th succes sive month, there was a fall in the number of people claiming unemployment benefits. Seasonally-adjusted figures from the Department of Employment showed that unemployment fell by 58,500 in July to than seven years, or 8.2 per cent of the workforce.

This was the largest monthly fall since November and compares with an average fall in unemployment over the past six months of around 40,000.

Despite the rise in average earnings in manufacturing to its highest level for four years,

INVESTMENT spending by

British industry grew rapidly

in the three months to June

reaching record levels, accord-

ing to official figures published

The Department of Trade and Industry (DTI) said capital

expenditure grew by more than

3½ per cent in real terms compared with the first three

months of the year, after sea-

Capital expenditure in the

three months to June was 11

per cent higher than the same

period a year before. The total

was the highest on record,

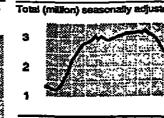
even after adjusting for infla-

tion, beating the previous peak

The figures cover investment

by manufacturing, construc-tion, distribution and financial

UK Unemployment



[144]

Average earnings Manufacturing Industries

Underlying Increase % Employment department figures showed that productivity in manufacturing remained very high. Output per head in 1979 81 83 85 87 88 manufacturing rose by more than 7 per cent in the three months to June compared with

a year earlier, enabling wage costs to be kept to a 1.4 per cent rise for the same period. against 7.7 per cent in June, in March, Mr Nigel Lawson, Chancellor of the Exchequer, In contrast, the figures also set a target for M0 of 1 per cent showed that manufacturing to 5 per cent in 1988-89.

The Treasury said the figures were broadly in line with labour in the second quarter of

its assessment of monetary conditions that lay behind the 3% percentage point rise in base rates since the end of

Although July's statistics suggest a slowdown in the growth of M0, figures for the last six months expressed at an annual rate show a 8.5 per cent rise against 6.0 in June.

The Treasury said the six-month figures were volatile and did not represent a wors-ening trend. It added that the six months to July exclude The rise suggests there has been no let up in Britain's fast January when M0 showed a

The latest figures show M3, the broad measure of money supply, increased by 20.6 per cent in the 12 months to July. M4, which includes building society deposits, rose by 17.4

The figures show capital

expenditure totalled £7.6bn at

1985 prices for the three

months to June. In manufac-turing, investment spending

was £2.9bn at 1985 prices.
Other figures released by the
DTI yesterday showed the level
of stocks held by manufactur-

ers, wholesalers and retailers rose by £415m in the three

months to June, at 1985 prices

and seasonally adjusted. This

£10m in the previous three

to have increased stocks by

almost £20m in the three months to June. Wholesalers

increased stocks by about

Retailers increased stocks by

Manufacturers are estimated

months.

about £250m

British Gas meeting clears the air for anxious shareholders

Sir Denis opens fire on rumours

SIR DENIS Rooke, the pugnacious chairman of British Gas, yesterday put to rest any lingering suspicions that the giant gas utility had backed a scheme to launch a killer satellite for use against

"Whoever is responsible for the Black-X-Eagle Satellite," Sir Denis said to anxious shareholders, pausing a moment for emphasis, it is not British Gas." This was one of the myriad

of questions about the company that Sir Denis sought to clarify at the British Gas annual general meeting yesterday in Birmingham, the second since British Gas was sold to

the public nearly two years ago. The meeting drew about 2,100 shareholders, many apparently holders of small

Mr Noel Falconer, who tried for years to champion the rights of small shareholders at British Leyland, UK car group, took a stab at getting himself elected to the board, although he conceded defeat at the close of the meeting. The show of hands was too close to call, and the results of the poll will be unavailable until the week-

votes in his pocket - out of 4.1bn shares - and Mr Falconer's chances are considered Mr Falconer has been

Sir Denis has 500m proxy

slim, actually "zero" in his tions by individual sharehold-

blamed by the British Gas board for costing the company more than £700,000 because of the late arrival of his nomination for director, and the subse-quent notification by mail of nearly 3m shareholders. Mr Falconer said he had been try-ing to arrange the nomination for several months and the delay was caused by British Gas's "obstructionism," a charge Sir Denis denied.

A resolution to delete the Article of Association requiring British Gas to provide advance notification to all shareholders of board nomina-

the business," Mr Clive Strowger, GrandMet group

finance director said yesterday.

Because of the normal prac-tice of writing off as goodwill the value of brands and other

intangible assets acquired in takeover deals, GrandMet's net worth had been diminishing as

it made acquisitions particu-larly in the heavily branded drinks business.

"This was reflected in our borrowing abilities," Mr Strowger said. However, although the move will boost

the company's assets, it will diminish its return on equity.

The whole project is expec-ted to cost about £800m. Plans

are to build the park in phases the first comprising the site infrastructure and six of the

themes at a cost of £160m

Lex. Page 16 .

ers was voted on and also put to a poll. The measure is expected to pass, to the chagrin of some small shareholders, who say they now are denied access

to important information.

"It is quite obvious that the chairman is personally trying to push this thing through, one shareholder took the meeting." ing. The chairman is threatened by someone looking over his shoulder."

Mr Falconer has no quarrel with the way British Gas is run. "I admire the board. I think it is a good company," he said. He believes, however, that small shareholders need board representation,

BT profit jumps to £610m in

A SUBSTANTIAL increase in telephone call income belped British Telecom boost first quarter pre-tax profits by 7.4 per cent to £610m (£568m). For the three months to June 30. turnover, at \$2.6bn (\$2.4bn), showed an increase of 10.5 per cent, almost all of which was

a 12.5 per cent increase in interest charges. Mr Graeme Odgers, group

its modernisation programme at full speed.

The results prompted criticism from Mr Bryan Gould, shadow Trade and Industry secretary. While BT management had shown itself to be competent at increasing profits for shareholders, "the rest of us will be left wondering why there has not been a corresponding increase in customer service," he said.

The rise in operating costs to

in an effort to improve the quality of service, accelerate network modernisation and meet expanding demand. However, the comparison was affected by the low base of last year's figures, which were hit by earlier industrial action. Staff costs increased by 11.8

telephone income increased by 9 per cent and 14 per cent, spectively.

Telephone exchange line rental income grew by 4.4 per cent, reflecting a 9.8 per cent increase in business exchange connections and a 3.8 per cent rise in residential exchange connections over the past year. Private circuits, Yellow Pages directories and Cellnet, in which BT has a 60 per cent interest, were the main contributors to the 13.5 per cent growth in revenues from other sales and services to £564m. The results were in line with

City expectations and the share price edged down 1p to

BRISHARMANS

quarter

By Vanessa Houider

due to volume growth

The rise in volumes was tempered by the price freeze on

inland services, an 11.5 per cent rise in operating costs and

managing director, said the company was pushing through its modernisation programme

The rise in operating costs to £1.9bn (£1.7bn) reflected the additional resources deployed per cent to £910m, reflecting in part the employment of 3,000 additional staff.

Bank joins property groups in **US** venture

Three British property companies have joined with Charterhouse Bank to invest Stom in a new US property investment company to be managed by Tiahman Manament and Leasing of New

Ment and Leasing to the called York.
The company, to be called Trahman Holdings Corporation, has been set up to enable British companies and institutions to invest directly in the US property sector at a time when slackening demand has led to some reduction in prices. The three companies which have subscribed to the venture

have subscribed to the vanture are Slough Estates, which already has extensive North American interests, Imry Mer chant Developers and Control £1.2bn merger plannod

Regency and West of England building societies, based in Brighton and Mariborough prignon and Marisorough respectively, have announced plans to merge. The new soci-ety will be one of the largest in the country with combined assets of £1.2hn and a network of 80 branches.

Unipart profits soar Unipert, former Rover Group parts and accessories group privatised in a management buy-out last year, said pre-tax profits were up by 37 per cent. It also declared EW Holdings. parts wholesale business bought by Unipert from the AE group four years ago, had moved into pre-tax profit for the first time this year.

BAe to move HQ British Aerospace is to build a £25m headquarters and man keting department for its civil aircraft division on a 26-acre site the company owns at Hat-field, Herrfordshire. The present headquarters and the design offices, built in the 1930s, will be demolished and the site sold.

MP gets letter bomb Ken Maginnis, Official Unionist MP for Fermanagh-South Tyrone, Northern Ireland, received a parcel bomb in the post. Army bomb disposal experts defused the device which contained a small quantity of commercial explosives.

Bristol brokers expand Stock Beech, leading firm of brokers in Bristol and the only to set up a chain in five or six other cities. The move follows the decision by British & Com-monwealth, financial services group, to take full control of

Bail refused

Max Buteau, the former Vice-President of the London branch of the American First National Bank of Boston, was further remanded in custody by £13m fraud charge yesterday until August 25. Magistrate, Charles Davidson. rejected the offer of £100,000 cash bail bond. Buteau is charged with conspiring to detraud the bank of \$10.3m

GrandMet to boost balance sheet with brand names

By Christopher Parkes and Citye Wolman

GRAND METROPOLITAN, the hotel and drinks group, yester-day set in motion a likely transformation in accounting practice by announcing a boost of more than £500m to its balance sheet to take account of its Smirnoff vodka and other leading brands.

The decision to include brands and trademarks as baiance sheet assets has been made in response to a spate of controversies over accounting for the value of brands in companies such as Rowntree, which have been the targets of takeover battles. This has led the Department of Trade and

Unit trusts

lose appeal

By David Barchard

for investors

THE UNIT trust market

remains extremely subdued nine months after the Stock Exchange crash, with small investors preferring to put

their savings elsewhere, according to July figures released yesterday by the Unit Trust Association.

Net new investment in July

Industry to produce proposals for accounting reform. At present, brands are given a positive value in the balance sheets of only a few smaller companies such as Reckitt and Colman, whose brands include Dettol, Disprin and Airwick, and United Newspapers, publisher of the Daily Express (for its newspaper titles). Many UK accountants have traditionally opposed the inclusion of brands in company balance sheets on the principle that their valuations are too subjec-

tive and vulnerable to manipu-"It was improper not to recognise the intrinsic worth of

By Richard Tomkins, Midlands Correspondent

was £110.7m, compared with £229.1m in June and £1,134.1m in July last last year. will take a minimum 9 per cent stake in WonderWorld and manage the park from its The value of funds under management, however, rose by 3.4 per cent over June, to reach £41.6bn. This compares with

£47.9bn in July last year. Total net new investment in unit trusts in the first seve months of the year amounts to 2881.8m, compared with £4.1bn in the same period last year and £2.8bm in the same period This contrasts with the con-

tinued strong inflow of savings into the building societies at levels of more than £1bn a month for the past six months. A further indication that small investors are unhappy about putting funds into unit trusts is that the number of accounts is shrinking slightly. The number of unit trust accounts fell by about 11,000 during July, to stand at 4,978,000. However the UTA points out that the number of unitholder accounts is still 17.6 per cent above July last year.

Brent Walker raises WonderWorld stake

RRENT Walker, the fastgrowing leisure group, yester-day threw itself behind plans to build WonderWorld, Britain's biggest theme park, on a 1,000-acre site outside Corby in Northsunptonshire. Mr George Walker, the com-pany's chairman and chief executive, formally signed a deal under which Brent Walker

planned opening in 1992. WonderWorld will be a covered, all-weather, multi-theme park on a greenfield site reclaimed from former iron ore workings near the village of

Visitors would pay an entry fee of about £10, giving them access to 13 planned themes, all of which would aim to educate as well as entertain. Attendance is forecast to rise from 3.2m in the first year to 4.2m in the third. Wonder-World's backers believe the

completed project could have a potential attendance of 10m.
These figures compare with a combined annual attendance of 25m for Disneyworld and Disney's Epcot Center in Florida, 12m for the Tokyo Disney-land, 11.5m for Disneyland in California, a forecast 10m for the Paris Disneyland, a fore-cast 4.5m - rising to 6.2m - for London's The Battersea, and 2.3m for Aiton Towers in

WonderWorld will shortly seek £195m in launch capital for the project in Lon-don - £120m of it in loans and £75m through a private placing of equity.

Brent Walker, already a

founder shareholder in WonderWorld with a £15,000 stake has agreed to take up at least 25m of the new equity, so giving it a minimum stake of 9 per cent in the WonderV

It will also ask "friends and ssociates" to take up a further £5m of the WonderWorld equity and will use its influence to secure a successful placing of the rest.
Brent Walker's intervention

follows several previous attempts to finance the WonderWorld project. Security Pacific the merchant bank, succeeded late last year in syn-dicating £95m in loan finance but failed to raise a matching £95m in equity because of the stock market crash. WonderWorld is hoping Brent Walker's backing will combine with the shift in the

debt-equity ratio to produce a successful outcome. and £7,383,500. Airline keeps up with long-haul rivals

Michael Donne looks at British Airways fleet-buying strategy

British Airways plans to buy a further two of the new advanced ver-sion of the Boeing 747 Jumbo jet, the Series 400, is a sign of its need to replace some of the older 747s in its fleet and to keep up with competition on long-distance air routes.

The purchases will bring its total order to 19 aircraft with a further 12 on option, worth in all some \$4.5bn.

At present BA has a total of 40 Jumbo jets in its fleet, including 16 of the oldest Series 100s, 16 of the later Series 200s, with another three of those on short-term lease, and five 747-200s inherited from its takeover of British Caledo-

The oldest Series 100 in the fleet is now more than 18 years old, having been acquired in 1970, and others are close to that, so that replacement is becoming an increasingly sigificant element in fleet plan-

to take account of changing trends in the world market, with more and more passengers not only wanting to fly longer distances, but also wanting to do it non-stop. With its competitors on interior with improved seating,

routes such as London to Tokyo, Hong Kong and Singa-pore all flying non-stop east-bound and planning to do so westbound (which is more difficult because of the headwinds), BA cannot afford to be left behind.

changes in the Middle East. The additional crews will have follow suit as a result of the combination of all these facto be carried on board, and thus rest facilities will be The Series 400 Jumbo can Boeing has so far won orders carry more than 400 passengers over non-stop distances of 8,470 for 872 Jumbo jets of all versions, for 73 different custom-

statute nautical miles. The basic difference between the ers in 47 countries. Of these, more than 700 have been delivered so far. Of the backlog, most are of the new Series 400 Series 400 and earlier Jumbos is this increased range-payload capability, with additional fuel tanks and extensive improve-- 153 so far for 20 customers. To cope with this massive ments to the aerodynamic effidemand, Boeing is building the ciency of the aircraft, espe-cially by increasing the wing-span and building "wing-lets" – tall fences – on the 747s at the rate of four a month, but it plans to raise this to five a month by 1980. This is only part of the over-all Boeing backlog, however.

Taking into account all its different types of aircraft - the short-range 737, medium-ranmge 757, the medium-tolong range 767 and the Jumbo itself – its total backlog is now 1,042 aircraft, or well over four

years' work. Boeing is considering raising the production rates of all its other jets, with the 737 especially going up from 14 aircraft a month to 17 a month by next

So far this year, Booing has won new orders for 461 air craft, matching its best-ever year of 1978. With further orders already in negotiation, it is now certain that 1968 will be a record year for Boeing. British Airways itself will start to take delivery of its new 747-400s next March. All 19 air-craft will be delivered by 1990-91. Phasing out the older 747-100s and 200s will also begin during this period; the three on short-term lease and those inherited from BCal will

be the first to go.

Precise numbers of the older Jumbos to be sold are not yet settled, because much depends upon how long-distance passenger traffic grows in the immediate future, which in turn will dictate Jumbo fleet

But BA is aiready deeply

the \$4.5bn cost of the 19 aircraft aircraft and the 12 options, it will be spending ini-tially some an additional £75m on spares, including spare

engines. Other "incidental" costs include £7m on engineering tools and equipment, 18.5m on hangar modifications (because of the bigger wing span of the Series 400) and probably another £25m on a new hanger specifically for the Series £00s

at Heathrow. Technical training for engineers will cost some £7m. including an engineering train-ing simulator. BA has also spent more than

filom on a new 747-400 flightcrew training simulator at its Heathrow, London, training centre. This has now been supplied by Rediffusion, and over the next few weeks will be tested to meet Civil Aviation Authority regirements. A sec-ond 747-400 simulator will be installed next year.

In 1989, a total of 110 pilots will be converted onto the 747-900 from other ?47s, and a further 200 pilots will be trained in 1990.

Rolls-Royce will share extensively in the BA plans for the 747-400, for the engines on all 19 aircraft on firm order and the 12 on option (the RB-311-524Gs) will amount to \$1hn. In addition there will be es-

nificant spares purchases throughout the entire 20 years life of the aircraft in service, so But BA is already deeply immersed in preparations for the new alread. Apart from that effectively that value to Rolls-Royce may well be swell-than that the control of the



Mr Edward Heath, the former Conservative Prime Minister who took Britain into the European Community, yesterday inspected a Channel tunnel village built near Dover by the Eurotunnel contractor Transmanche-Link to ease workers' accommodation problems

University cuts put English reform programme 'at risk'

By David Thomas, Education Correspondent

LARGE cuts in university all English teachers should English departments could hinder official proposals to improve the teaching of English in schools, the Govern-ment was warned yesterday.

The Committee for University English, representing lecturers in English, has written to Mr Kenneth Baker, Education Secretary, arguing key recommendations of the Kingman report on the teaching of English could not be delivered because staff reductions have

been so severe. The Kingman report, published in April, argues that before the end of the century

have a first degree in English which includes a study of the contemporary and historical English language

The committee published a survey of trends in English departments during the 1980s. This shows that 148 full-time academic posts have been abolished or frozen since 1981, representing about a fifth of the

No university English department grew in size during the 1980s, according to the survey, and the average reduction was 3.5 posts per department. More than a half of the 42 departments responding to the survey had made no new appointments since 1981, leading to age distortions within departments. More than a third of departments expected to lose more staff in the future, while only five anticipated an

Research, specialised subjects such as linguistics and joint degree courses had all been cut because of the staff reductions, the committee said. It also pointed to spending cuts, of more than a fifth in some cases, on English collections in some university

The Series 400 jumbo jet: winglets improve aerodynamic efficiency placed big orders for the Series 400. BA has been obliged to

wing tips.

Boeing has redesigned the

galley facilities and lavatories.

and the inclusion for the first

time of separate crew rest facil-

The latter are necessary

At the same time, BA needs

because although the Series 400 can be flown by only two Also, on other routes, many pilots, the long distances nonof its competitors have also stop mean no more crew

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The Gartner Group's report also demonstrated that even in a mixed IBM/Macintosh environment, computing costs could be dramatically reduced.

They estimated that a company with 600 personal computer users (half IBM and half Apple Macintosh) will have a fully

Two cultures backing off from divorce

Ivo Dawnay on Ford and VW's difficult Latin American merger

riage, it is often said, is always the worst. Wolfgang Sauer, president of Autolatina - the shotgun union of Volkswagen and Ford's Brazilian operations can only hope they are right.

A few weeks back, executives of the company were entertained in a fashionable Sao Paulo nightspot - attendance obligatory. "The purpose," a former Ford man claims, "was to try to remind "was to try to remind everyone that they all work for the same company."
After the November 1986

announcement of the merger
- the first ever attempt in the industry to collaborate and integrate existing rather than greenfield operations — there is now some evidence that the initial clash of cultures is

dying down.
But the problems of forging one company from two dis-tinctly different traditions are still at an early stage. Indeed, there were credible rumours in the not-so-distant past that worried parents in both Dearborn and Wolfsburg had at one point thought seriously of a quickie divorce.

Every merger has its corpo rate culture problems, but this one has been sheer hell," one industry analyst reports. "The two companies are miles apart in management style."

Behind the merger lay a long-standing need by both companies to restructure, maximise economies of scale, share component production and R&D capacity and rethink their approach to the heavily regulated Brazilian market.

By the end of 1986, VW had suffered repeated years of losses with market share down from a historic high of almost 80 per cent, to 57 per cent a decade ago and 35 per cent in 1987. Ford had fared little better. And when Brasilia added a price freeze to the world's highest auto retail tax rates as part of its anti-inflationary Cruzado Plan, money was lost on every car sold and patience in overseas HQs ran out.

The merged company, with a capitalisation of \$1.8bn, total sales (including those of consumer credit companies) the equivalent of \$4bn, 15 plants, 75,000 workers, 5,000 components suppliers and capacity of 900,000 units, instantly became the world's eleventh largest

There the problems began. Perhaps the least of them was the initial rationalisation, largely concentrated in Argen tina where the tiny market of about 150,000 units a year left little choice but concentrating activities into two main plants.

Since then, organisation and management method have been top of the agenda. Although VW retained a 51 per cent stake, it was decided that Wayne Booker, the famously cost-conscious Ford president now installed as executive vice-president, should build the organisation's structure.



Ford was horrified by the management systems it found. Whereas the US company's tradition has always involved a tight pyramid of decision-making with each executive reporting to his immediate superior and a high degree of local autonomy, VW appeared quite the reverse with divisional chiefs liaising direct with Germany and often only going through the motions of referring to local superiors.

Booker ruled that rather than create a Frankenstein, the Ford system must be imposed. This had to involve the introduction of the company's strict grading system (VW had only a handful of ill-defined grades flexibly interpreted).

Such a move, with its inevi-table consequences for status and perks, provoked wide-spread ill-feeling, though most executives were shifted up to minimise resentment.

Sauer endorsed the decision, however, arguing that he had always preferred the "tighter" Ford structure. "West Germans are more dedicated to product and the longer term.
"I feel we now have a fantastic combination - US business administration adapted to VW's industrial product management style. The structure is

now completely in place."

The company president is also pleased with his decision taken early in the merger to accelerate staff swops, deliberately shifting managers from one company into roles in the other in a timetable shortened

from three years to one. This process appears to have worked like a brutal but efficient version of Darwin's natural selection principle. "People who didn't like it had to accept it or not." Sauer remembers. Such brutal integration tech-

niques have been accompanied by a more human kind of welding. The company president also added that Autolatina has been conducting seminars led by a professor from Insead, the international business school at Fontainebleau, in France, in how to shake off old allegiances and practices in favour of new ones.

With its management structure now in place, the second, and perhaps even more difficult, task is now beginning in the creation of an integrated product range from the motley fleet that only two years ago was locked in competition. Autolatina has dispensed

with any idea of publicly creating its own marque - "That would be suicide for our 62 per cent market share," Sauer observes - choosing instead to mix and match chassis, engines and bodies. Final decisions, however,

have yet to be taken and for good reason. Discussions on lifting the admired 1,800cc engine from the unaesthetic, bottom-of-the-range VW Gol (different from the European Golf) and putting it in Ford's attractive Escort body has unleashed a howl of rage from They fear that Gol owners

choosing to service their prod-ucts in Ford dealerships will easily be persuaded to make the step up. Similarly, Ford dealers are concerned that the Del Rey, an old mid-to-up-mar-



ket model will be discontinued. Sauer dismisses these anxieties, arguing that a careful mix of products should allow the company to meet its promise for a new three model range by 1992 with a common engine and gearbox range but maintaining each marque's traditional characteristics. Worried dealers still appear

far from convinced. The one internal controversy Sauer does not deny lies over the future of the Fox - VWs inexpensive export model aimed at the highly competitive US market. This year the company had planned to sell 100,000 units to the US and Ganada but has since scaled this back by 20,000 with a loss of about \$150m in sales because of fierce price competition from Yugoslav and South Kor-

ean rivals. Former Ford executives are said to be challenging the opportunity cost of the programme as an investment priority, preferring to concentrate resources in the home or Latin

American market. In a bid to enhance the appeal of the Fox export plan, Sauer is now once again attempting to persuade the Government to reduce tax rates on cars. These are an intolerable burden for manufacturers, be claims. But even with this conces-

sion the internal struggle over product priorities is likely to be fierce and, it is predicted, partisan. Autolatina has been told by its overseas parents that from now on it must cut the apron strings and finance investments from its profits. It is believed, though not

officially confirmed, that the company made some \$100m in the first half. So, for the moment at least, the heat is But an ex-VW man is in

charge of product planning and an ex-Ford man holds the overlapping role of controller. But how "ex"? It can only be hoped that Sao Paulo's nightlife has worked its magic.

Employee development

It's in your own hands

Michael Skapinker on a method of continuous learning

Ten years ago, Idom, a Spanish engineering consultancy, decided that its staff needed a ing of the outside world.

To broaden their perspective, Idom (Ingenieria y Dirección de Obras y Montajes) began to accept assignments in consortis which included non-Spanish companies.

One of the conditions of the Spanish company's participa-tion was that the other mem-bers of the consortium should help to train idom's staff in

new areas of expertise.

In the past few years, idom has come up with additional means of developing its engineers. Specialists at idom write case studies based on the company's work. The studies draw on the specialists' own area of expertise, such as customer. expertise, such as custon relations, team-working or a technical subject.

The case is then discussed with other members of staff at a one-day seminar. Four of these case studies are now used on the Masters of Business Administration course at the Instituto de Estudios Superiores de la Empresa (Iese) in

Idom's work is held up as an admirable example of "continu-ous development" in a useful new book* on the subject from Britain's Institute of Personnel Management.

Continuous development is not, says the IPM, a new man-agement theory, nor is it a set of techniques. It is a determination to encourage managers and other employees to take charge of their own development, to look for opportunities to learn, and to regard educa-tion as something that goes on throughout their working lives, rather than being restricted to occasional training courses.

Four years ago, the Institute launched its ABCD campaign — A Boost for Continuous Development — and drew up a code of practice on the subject. The IPM book, edited by Sue Wood, says that "almost with-out exception, workers at all levels, whether shopfloor workers, supervisors or senior man-agers, regularly need to learn something new. That 'some-thing new might be connected with the performance of work tasks, or with the organisation of work, or with inter-relationships with fellow workers."

to define what employees need to learn and make some provision for them to do so. Many learning needs, however, might be more apparent to a shopfloor worker than to senior management or the personnel department. The employee doing a particular job is often well placed to define what he or she needs to know.

The challenge for the organ sation is to create an atmoare encouraged to identify

those learning needs.
One way of ensuring that the organisation and individual employees are headed in the same direction is through learning contracts. Employees throughout the organisation make agreements with their superiors on what they intend to learn over a certain period. The employee contracts to master a certain procedure or skill and the organisation agrees to provide the necessary

Work alongside

This could consist of allowing the staff member time off to attend courses, or providing reading material, or suggesting that the employee works alongside a more experienced col-league. The participation of the employee's superior helps to ensure that the development task could also further the

company's own aims.
Learning contracts are used by the Northern Regional Management Centre in Washington, Type and Wear. They have also received the support of the Association of Management Education and Development, an organisation of training managers, consultants and aca-

The IPM book describes the experience of the finance house Noble Lowndes and Partners. which gives new pensions administrators a Trainee Log. outlining the knowledge and skills that they are expected to acquire. Trainees are assigned a mentor to help them plan their training both on and off the job. The trainer and trainer plan a series of monthly development activities.

The book recognises that because each company's devel-opment needs will be different, it is difficult to tell organis tions precisely how to go about fostering a climate conducive

Most organisations attempt to continuous development. managers define their own

managers cannot treat own organisation's requirements. The case studies cover a wide range of types of organisations, from the Bank of England and the Oxfordshire District Health Authority to Austin Engran and Thahlba Austin Rover and Toshiba

Although there are clear dif-ferences between the organisa-tions described, some tachniques for encouraging continuous development appear to be common to all of Organisations need to dem-

onstrate to employees that con-

tinuous development pays off.
They must ensure that employees are rewarded for acquiring additional skills and that they get the opportunity to use their new knowledge at work. • When companies announce a new product, a new operating

procedure or any other major change, they should also say what training and development will be madeled to the change of the cha will be required, which employees will need to be trained and how they should go about it.

Appraisal of managers and other employees should include a discussion of what they have done to develop themselves and their subordi-nates. Future development goals should also be discussed.

Top management needs to make its commitment to continuous development clear by setting out its policies on paid and unpaid leave for employees who want to attend courses as well as the financial support to which they will be entitled.

• Personnel and training departments have a role to play in offering company-wide courses, where these are appropriate, and in offering help and advice. For continuous development to succeed, however, the commitment of line man-

Many line managers regard training for their employees, perticularly off the job, as a waste of time and a disruption of the organisation's day-to-day business. One way of overcoming this problem is to make line managers themselves responsible for drawing up the plans for continuous develop-

*Continuous Development, from IPM, Camp Road, London SW19 40W, \$3.50.

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BY ORDER OF THE SOURD

BY ORDER OF THE SOARD
P E Kritzinger
Secretary

Register Office: OK Buildings Hill Sara 80 Etall Street Johannesburg 2001

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GLASGOW GARDEN FESTIVAL 1988 DISPOSAL OF PLANT MATERIAL

The Glasgow Garden Festival will close on 26 September 1988. The Agency is to be responsible for the dismantling and disposal of various assets from the site. Applications are invited from businesses wishing to tender for the purchase and removal of select packages of tree and shrub planting from the Festival site.

Tender documents will be available in August, It is anticipated works will be undertaken during October/November 1988. Written applications should be received no later than 1st September

Applications to: DUNCAN HARVIE, Senior Project Manager, Scottish Development Agency, 120 Bothwell Street, GLASGOW G2 7JP

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NOTICE is bareby given that the creations of the above named Company, which is being voluntary wound by, are required, on or before the 20th day of September 1986 to sens in their full Christian and surmanes, their addresses and descriptions, full particulars of their debts or claims and the names and addresses of the their Solicitors (if any) to the undersigned Philip Anthony Sarnett of 34 Duchess Road, Edgbaston, Birningham the Liquidate, are, personally or by their Solicitors, to come in and prove their debts or claims at such time and prove their debts or claims at such time and prove their debts or claims at such time and prove their debts or claims at such time and prove their debts or claims at such time and prove their debts or distribution made before auch debts are proved.

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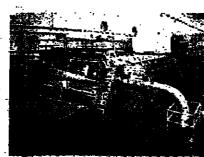
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March Investment Fund
MIM Development Capital
Quayle Munro
Rothschild Ventures
Scimitar Development Capital
Sun Life Investment Management
TSB Bank
Northern Investors
Gilde Venture Fund

The banking syndicate was led by Chemical Bank. The Lead Underwriters of the bank debt were Chemical Bank, National Westminster Bank plc, and the Industrial Bank of Japan, Limited.

Coopers & Lybrand acted as consulting accountants and Clifford Chance as solicitors to the Company and to the Underwriters.

TECHNOLOGY

ho is responsible for most product innovation in industry? Manufacturers, of course. Their research and development departments bring out products to meet customer needs identified by market research.

According to a new US study, that conventional answer is often wrong. It turns out that in many industries most innovations are developed by users and later adopted by manufacturers. In some other fields, suppliers of components and materials are the main sources. In others the conventional wisdom holds and manufacturers are indeed the innovators.

The study, carried out over the past decade by Eric von Hippel and colleagues at Massachusetts Institute of Technology (MIT), has been published as a book entitled The Sources of Innovation*. It is being hailed by US economists and management scientists as an important advance in the understanding of the innovation process.

Manufacturers which form R

and D departments capable of doing all product development in-house may lose out if they are operating in an industry where suppliers or users are an important source of innovation. As von Hippel says, "one cannot expect a firm's R and D group to be interested in user prototypes if its engineers have been trained and motivated to undertake the entire product development process them-

New sources of innovation demand new management tools, von Hippel says. "Mar-keting research methods traditionally used to seek out and analyse user needs must be modified if they are to be effective for seeking out prototype products that users may have

Robert Samuelson, a leading US economic commentator, has taken von Hippel's findings a stage further and concluded that American companies spend too much time and money on market research reports. According to Samuel-"one reason Japanese firms are sometimes quicker to commercialise technologies is that they de-emphasise these studies. They're more interested in moving products quickly into the market, getting customer reaction and

then making changes."

Von Hippel and his MIT researchers base their conclusions on in-depth studies of selected industries, using literature and patent searches and interviews with participants in Sources of innovation

			Innovation dev	veloped by	1
			Manufacturer	Supplier	Other
	Scientific instruments Semiconductor and	77%	23%	0%	0%
	PCB process	67	21	0	12
W.	Pultrusion process	90	10	0	0
	Tractor shovels	6	94	0	0
	Engineering plastics	10	90	0	0
	Plastics additives	8	92	0	0
	Industrial gas-using	42	17	33	8
MA	Thermoplastics-using	43	14	36	7
	Wire termination equipment	11	33	56	0
				_	

When conventional wisdom is wrong

Clive Cookson examines new conclusions about how product breakthroughs are achieved

the innovation process. The table shows the sources of innovation in some of the activities chosen.

Users were the main source of innovation in scientific instruments, equipment for making semiconductors and printed circuit boards (PCB). and pultrusion equipment.

Pultrusion is a process for making fibre reinforced plastic products of constant cross section for use in demanding structural applications, such as aircraft and sports gear. Von Hippel found that 90 per cent of innovations in pultrusion came from users - typically small and medium-sized companies with no R and D departments and no staff with formal training in plastics.
"Important pultrusion inno-

vations were triggered when a user firm received a large order for a part of uniform cross section, such as hundreds of feet of one structural shape or thousands of feet of rod to be used for glass-fibre fishing poles," says von Hippel.

"Faced with a massive task of this sort, a creative person on the factory floor was some-times inspired to innovate, using an innate sense of engineering design and machine parts lying around the fac-tory." Occasionally these inno-vations were adopted by equipment manufacturers.
In the case of semiconductor

and PCB manufacturing equipment, the users were typically large electronics companies such as IBM, General Electric and AT&T. They were responsible for 67 per cent of the innovations studied by von Hippel, with a further 12 per cent developed jointly by users and equipment manufacturers.

In the third field - scientific instruments - most of the innovative users were not companies but individual researchers in universities. They were responsible for 77 per cent of the 111 innovations studied by von

In a typical case, a scientist invents a new type of instru-ment, builds a prototype and disseminates information about it through scientific meetings and publications;

then, when other scientists begin to ask the instrument companies when a commercial version will be available, a manufacturer takes up the idea, does some engineering work on the device to make it ore convenient and reliable, and launches it as a new prod-

When von Hippel came to study the tractor shovel indus-try, initial conversations with construction experts led him to expect that users would again be an important source of innovation. "Everyone had a story to tell about a construction firm that, facing an unusual challenge and a tight deadline, performed an overnight modification to some item of construction equipment that solved the problem and saved the day."

But it turned out that almost all of the commercially successful tractor shovel innovations came from manufacturers. The same was true of engineering thermoplastics and plastics additives. Innovation by suppliers is

Hippel found certain types of industrial equipment—machines to terminate electrical wire and cables and to process industrial gases and ther-moplastic resins — in which suppliers of components and materials were significant innovators alongside the equip-

ment manufacturers and users. Von Hippel tries to explain the variations in sources of innovation in terms of the temporary profits - in technical terms the "economic rents" expected by potential innova-tors. In many industries where users are important innovators, such as pultrusion, the key factor "is the ability of equipment users to hide their innovations for a period of time as trade secrets. This option is not open to manufac-turers, who must display their innovations to customers in order to sell them." Patents do not provide effective protection for innovations in the pultru-

sion industry.
A significant difference between the pultrusion and tractor shovel industries is that the shovels are used on open building sites in full view of would be imitators, so that neither users nor manufactur-ers can protect their trade secrets. Von Hippel argues that under these conditions manufacturers can expect to make more profit than users would from innovations.

The Sources of Innovation only analyses industries in which the users are companies (or, in the case of scientific instruments, professional scientists). Von Hippel does not look at innovations in consumer goods, presumably because the manufacturers are almost always responsible for

Even so the book is likely to have an impact on the debate about innovation policy, particularly in the US. For example, von Hippel mentions the concern that US semiconductor process equipment is falling behind the Japanese competi-

But von Hippel shows that most semiconductor equipment innovations come from the equipment users: "therefore the causality is probably reversed. US equipment build-ers are falling behind because the US user community they deal with is falling behind. If this is so, the policy prescription should change. Perhaps US equipment builders can best be helped by helping US equipment users to innovate at the leading edge once more." The Sources of Innovation, by Eric von Hippel, Oxford University Press, New York, \$27 (£22.50 in UK).

A new path for specialists in lightning protection

David Fishlock reports on a plan to apply expertise gained on aircraft to the building industry

nildings which contain increasing amounts of electrical and electronic circuits are becoming as vul-nerable as aircraft to lightning

strikes, according to a team of specialists at the Culham Labo-ratory, near Oxford in the UK. Aircraft must show that they can weather a direct hit by lightning before they are granted an airworthiness cergranted an airworthiness certificate. The team believes that
12 years' experience in "hardening" aircraft against lightning can be applied to buildings, provided the process
starts at the design stage.

The effects of lightning on
buildings include causing fires
and hypning out telephone and

and burning out telephone and data processing circuits. The Culham Lightning Studies Unit (CLSU), part of the UK Atomic Energy Author-ity, specialises in simulating lighting strikes. It has built on the technology of "pulsed power" – the unleashing of high voltages and surges of current to heat nuclear fusion

Since the late 1970s, the unit has been developing skills to test the vulnerability of aircraft to lightning. The Ministry of Defence has been its main patron. For the past four years the CLSU has operated as a research "club" of seven European aircraft manufacturers which pay a subscription that the Department of Trade and

pound. It has assembled its own "rogues' gallery" of damage done both in the laboratory and to aircraft in flight, including a Nimrod radome of glassfibre reinforced plastic composite split asunder.

Industry matches pound for

When lightning strikes, the high voltage allows a huge cur-rent, perhaps hundreds of thousands of amperes, to surge to earth. The current super-heats a narrow column of air, which expands explosively

with a crash of thunder.

A big bolt can have dramatic effects on metal conductors. The surge of current sets up a powerful electromagnetic field capable of crumpling the conductor out of all recognition. Roger Baldwin, manager of the CLSU, and his principal scientist Brian Burrows have equipment that can simulate a

gigantic welding arc. Normally, they scale simula-Normally, they scale simulations down to a 7.5 cm art;
even then, the thunderclap
warrants the use of ear protectors. They use it to hit samples
of new materials under carefully standardised electrical
conditions. For example, they
must avoid contaminating the
sample with the jet of metal
vapour that shoots from the
electrode used to strike the arc.
Tests of this kind are used to

Tests of this kind are used to check whether coatings can be applied to reduce the damage caused when lightning strikes some of the newer composite materials containing fibres of carbon that conduct electricity. Such materials, of great interest to aircraft designers for

reducing weight, can be a headache in terms of lightning protection, for the fibres afford a high-resistance electrical path that behaves like electri-

cal heaters buried in plastic. The resin burns off, leaving the surface sprouting tufts of black

The unit also performs full-scale tests. The complete tallplane - made of carbon fibre reinforced plastic - for the latest Airbus filled the lab-

Culham's tests use a pulse power supply designed to simu-late the two pulses characteris-tic of a bolt of lightning — the fast rising pulse of current and the slower return stroke which produces the thunderclap. The two are released in quick suc-cession to simulate the most damaging effects.
Baldwin claims Culham is

the only facility in Europe with the ability to do this. It can study the components of air-

30-metre bolt of lighting, like a frames under stress using a Hunter fuscings, into which the component or test panel is built and wired for measurement. Burrows says the CLSU is near to completing a com-puter program based on its data which will allow aircraft

data which will know airtist designors to calculate the effects of lightning.

The unit earns about 1500.000 a year, with tests on aircraft accounting for about 80 per cent of the work. Baldwin believes its internation. ally renowned experience in protecting alternal can be put to good use to protect the cluctrical systems in buildings not only against lightning but also from the electromagnetic pulse. (EMP) generated in a nuclear weapon explosion.
The UK Government's Prop

erty Services Agency has shown an interest and this year the CLSU landed a contract from the Central Electricity Generating Board to advise on the protection of its Sizewell B nuclear power station, under construction in Suffolk. Generating plants of all

kinds tend to be protected against one kind of electrical "leak" - transient currents from their generators which can upset their control systems. This summer, Burrows has been surveying the US electricity industry research into lightning. Although the mast itself may suffer little damage from o

direct hit, the "local" carth beneath the mast will be raised to a much higher potential than remote carths. Incoming cables, such as power lines and telephone wires, will receive this higher voltage and wiring and circuits may be damaged.

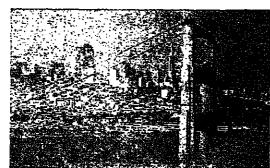
There are two ways of countering the risk. One is to provide a low resistance path between the devices, so that ground currents can flow with-out generating destructively large voltages. The other is to isolate components of the system, ideally by using electri-cally non-conducting fibre optic links.

Buildings raise almost no insuperable problems for light-ning protection because most modern ones are self-protecting because their steel frames provide a conducting path to earth, says Burrows.

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FT LAW REPORTS

Digest of Trinity Term cases

FROM JULY 19 TO AUGUST 10

D & F ESTATES LTD AND OTHERS V CHURCH COMMISSIONERS FOR ENGLAND AND OTHERS

ENGLAND AND OTHERS

(FT. July 19)

The House of Lords affirmed a decision of the Court of Appeal that Wates Ltd, the builder of a block of flats, was not liable in damages to the tenants of a flat with defective plasterwork as a result of the negligence of the subcontractors. To make Wates so liable would be to impose for the benefit of those with whom there was no contractual relathere was no contractual rela-tionship the obligation of war-rantor as to the quality of the plaster. Moreover, if Wates were to be beld liable for its subcontractors' plasterwork, it had first to be shown to have assumed a to be shown to have assumed a personal duty to all the world to ensure that the block would be free of dangerous effects. There was no legal principle to which such an assumption of duty could be related.

THE EVPO AGNIC

OF July 20 1983)

could be related.

THE EVPO AGNIC

(FT, July 20 1988)

The owners of cargo, lost aboard a vessel, Skipper 1, sought to arrest a ship belonging to another company, the shareholders of which were the same as the owners of Skipper 1. In allowing an appeal against an order that all documents relating to ownership of both vessels be disclosed, the Court of Appeal stated that section 21(4)(b) of the Supreme Court Act 1981, which provided for the arrest of the particular ship or a sister ship, did not go, and was not intended to go, nearly far enough to give the plaintiffs a right of arresting a ship which was neither the ship in question nor a sister ship, but was the ship of a sister company.

LONRHO PLC v

FAYED AND OTHERS

(FT, July 22)

The plaintiff alleged that the defendants had damaged its business by depriving it by fraud of a business asset, namely the right to bid for the House of Fraser in a merger situation. In striking out the statement of claim as dis-

to but for the House of Fraser in a merger situation. In striking out the statement of claim as disclosing no reasonable cause of action, Pill J stated that the right or freedom to bid was not a business asset in that the law allowed everyone freedom to bid. Thus the freedom or opportunity to hid in present corruptances. to bid in present circumstances did not amount to a legal right which the law would protect against the defendants' alleged conduct. However, even if there were a legal right to bid which was entitled to protection, it would not extend to protection against a competitor making false statements, as there was insufficient nexus between the alleged misrepresentations and any damage to the plaintiff's business.

CRAVEN v WHITE: INLAND REVENUE COMMISSIONERS V BOWATER PROPERTY DEVELOPMENT LTD: BAYLIS V GREGORY

(FT, July 28)
In each appeal, property acquired
by the taxpayers had been sold
for more than acquisition cost.
Before the sale was completed or agreed the property had been vested in a company controlled by the taxpayers, which con-tracted with the purchaser, com-pleted the sale and received the proceeds. In each case the Inland Revenue claimed tax from the taxpayer, relying on the House of Lords decision in Furnisa v Daw-Lords decision in Furniss v Daw-son 1984 AC 474, but the claims were rejected in the High Court-and Court of Appeal. Upholding these decisions, Lord Oliver stated that while there was the same basic pattern as in Furniss, the transactions were not con-temporaneous, "pre-ordained" or "composite" in the Furniss sense because at the time of the interbecause at the time of the inter-mediate transfer, the property's ultimate destination could not be

mediate transfer, the property's ultimate destination could not be predicted.

T O'DONOGHUE LTD v HARDING AND ANOTHER (FT, July 27)

The plaintiffs were insured by the defendants for their stock of jewellery except where the theft took place from an "unattended" vehicle in the control of the plaintiffs or their representatives. In giving judgment for the plaintiffs that the exclusion clause was not to be used against them. Otton J stated that on the particular facts and circumstances of the case the representative did not leave the vehicle unattended. He acted throughout in a thoroughly responsible manner. It was an extremely remote chance that a thief would be so skilful as to open the door with a duplicate key, remove the case and relock the car during the admicate key, remove the case and relock the car during the short period in which the representative had to pay for petrol, while having the car under his

with having the car under his constant observation.

SMITH KLINE & FRENCH LABORATORISS LTD v LONG (FT, July 28)

The plaintiff drug manufacturers were persuaded by the defendant to sell one of their products to his export company, Swift. The contracts were concluded only on the understanding that the coods his export company, Swift. The contracts were concluded only on the understanding that the goods were going to central Africa. If Smith Kline had known they would be sold by Swift, not in central Africa, but in Holland, which was outside its area of operation, it would never have sold them at any price. Smith Kline, having extended £157,800 credit to Swift, then sued tha defendant for damages for deceit when it recovered no more than out-of-pocket legal expenses on Swift's insolvency. The Court of Appeal, in allowing Smith Kline's appeal against a decision that it had made no loss and was therefore not entitled to damages, stated that as Smith Kline had been permanently deprived of its goods, it had to be placed in the position it would have been had the deceit not been perpetrated. In ascertaining a fair

value of the goods, the market value would be taken as the ax-factory price at which Smith Kline habitually sold the goods to UK distributors.

LIBYAN ARAB FOREIGN
BANK W MANUFACTURERS
HANOVER TRUST COMPANY (FT, August 2)
When the US Government blocked all Libyan property in the US by Executive Order, the plaintiff terminated its arrange-

the US by Executive Order, the plaintiff terminated its arrangements with the defendant bank in the UK, which had operated an automatic transferring arrangement with the funds from the New York branch. The plaintiff sought summary judgment against Hanover for Film in the London account, which the bank had refused to pay, having relied on the Executive Order. In granting leave to the bank to defend against the RSC Order 14 proceedings, Hirst J stated that the decision turned on the issue of proper law of the contract. He accepted counsel's contention that it was a question of mixed law and fact, so that the interrelationships between the two accounts could not be settled fairly without deciding the facts on the full evidence. That did not mean Hanover had a good defence, but it had shown that it had an arguable defence which entitled it to leave to defend.

REGINA v PANEL ON

TAREOVERS AND MERGERS,
EX PARTE GUINNESS FLC

(FT, August 3)

An appeal by Guinness was dis-

TAKEOVERS AND MERGERS, EX PARTE GUINNESS PIC (FT. August 3)
An appeal by Guinness was dismissed by the Court of Appeal against a decision to refuse judicial review of the Takeover Panel's refusal to an adjournment to enable Guinness to respond to the panel executive's final submissions on its takeover of Distillers. Rule 11(1) of the Takeover Panel rules provided that where 15 per cent or more shares were purchased for cash, the offer should "except with the consent of the Panel . . . be not less than the highest price paid by the offeror or any person acting in concert with it." Lord Donaldson said that of actual injustice there was no trace. The essential evidence supporting a finding of a concert party under Rule 11(1) was set out in a letter ("the Pipatec letter"), which had been in Guinness's possession for nine months. There was, too, other corroborative evidence in its possession for plenty of time to have enabled Guinness to have formulated its submissions.

CAPARO INDUSTRIES FIT:

to have enabled Guinness to have formulated its submissions. CAPARO INDUSTRIES PLC Y DICEMAN AND OTHERS (FT, August 5)

The plaintiffs commenced an action against the auditors for alleged negligence, maintaining that the accounts that they prepared of a company, subsequently taken over, gave a false picture of its profits. In deciding a preliminary point, on assumed facts, that the auditor of a public company could be sued by an individual shareholder who

alleged a failure to exercise reasonable care in making the audit report, the Court of Appeal stated that although a share-holder's claim would be hard to establish, the auditor of a public company did over individual company did owe individual shareholders a duty to exercise reasonable care in carrying out his audit and making his audit report. However, such duty would be owed to him as share-holder and not as investor.

holder and not as investor.

GOMBA HOLDINGS LTD AND
OTHERS v MINORIES
FINANCE LTD AND OTHERS
(FT, Angust 9)
Two receivers were appointed by
the debenture holders in the
receivership of the Gomba group
of companies. On their discharge
they delivered all documents to
Gomba except for those which
they claimed had come into eristence during the receivership, on
the ground that they were not
the companies' property. In dismissing Gomba's appeal against
a first instance decision that it
was not entitled to the documents, the Court of Appeal was not entitled to the documents, the Court of Appeal
stated that the general principle
that all documents received by
an agent belonged to his principal could not be mechanically
applied to the complex position
of a receivership. A receiver performed duties on behalf of the
debenture holder as well as the
mortgagor. While owing duties to
both, they were quits separate
duties. Documents created for
the purpose of advising and
informing the debenture holders
regarding the conduct of the
receivership, although related to
the companies, were not the
property of the companies.

HOME AND OVERSEAS

HOME AND OVERSEAS
HOME AND OVERSEAS
INSURANCE CO LITO v
MENTOR INSURANCE
CO (UK) LITO
(FT, August 10)
An action whoreby the plaintiff
reinsurer claimed a declaration
that it was not liable to pay the
defendant reinsured, presently
insolvent, until the laster paid up
under the original insurance,
was stayed by Hirst J. There had
been a number of excess lock
reinsurance agreements between been a number of excess loss reinsurance agreements between the parties, cantaining an "honourable engagement" arbitration clause, which provided for the arbitrators to make their award in a reasonable reasurer rather than in accordance with a literal interpretation of the language. The Arbitration Act 1979 had swept away the old regime of tight control by the courts to supervise the legal decisions of arbitrators, it would be unjust to deprive the defendant of the forum which the parties had chosen to resolve their dispute and the relaxed criteria by which the arbitrators could decide the issue of construction between them.

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Mariae. Over 100 works, includ-

ing masterpieces by Gentile da Fabriano, Pinturicchio, Correg-

gio, Giaquinto and Tiepolo, show-ing the progressive humanisation

of the Virgin Mary from the aus-tere figure of the Middle Ages

to the gentle and accessible charm of the Renaissance and

Baroque portrayals. Ends Oct

Spoleto, Palazzo Racani, Arroni:

A retrospective of the French painter, who having served his

apprenticeship with David, in 1787 won a Prix de Rome, and

after the French Revolution set-tled in Florence. Fabre is the

Stendhal of painting. Notice par-ticularly the enchanting Death of Narcissus, with its echoes of

Ponssin, hung next to the por-trait of another narcissistic fig-ure, the poet Ugo Foscolo. Ends Aug 28. Spoleto, Chiesa di San Nicolo. Sandro Chai. This collection of

recent works by the young Italian painter is displayed in this beautifully simple and barn-like

deconsecrated church. His large oils are cosmic explosions of

vibrant colour, with Moore-like

Francois Xavier Fabre 1766-1837.



EXHIBITIONS Paris

Carte Musées et Monuments, sold in museums and Metro sta-tions, enables visitors to avoid queues at 60 museums and mon-uments, including the Louvre, Musée d'Orsay and Versailles

Centre Georges Pompidou. The Fifties, taking over Beaubourg for three months from the for three months from the ground floor upwards. The pos-twar creative dynamism of the Fifties is represented by cars, comics, music, cinema, literacomics, music, cinema, litera ture, industrial creation and

arts. The great figures of Matisse and Picasso open the exhibition with works in black and white; monochromes by Yves Klein and Montana close it. There are statues by Giacometti, mobiles by Calder, and lyrical abstraction by Hartung and De Kooning. While contrasting the School of Paris with the School of New York, the exhibition equally draws attention to some of their parallel developments. (42.77.12.33). Closed Tue. Ends

on the fifth floor - by visual

Institut du Monde Arabe. Holy Places in Saudi Arabia. Magnificent architectural models of the Kaaba in Mecca and its black brocade veil with verses from the Koran embroidered in gold, and of the Prophet's great mosque in Medina, provide non-Moslems with a realistic image of the shrines of Islamic pilgrimage, to which they normally have no access. Manuscripts, works by the traveller Richard Burton and 17th century Turkish ceramics complete the exhibition. 23
Quai Saint-Bernard (46.34.25,25). 1 pm till 8 pm, closed Mon. Ends Sept 18.

exhibition is the most important display of Roman glass ever staged. It covers the period from Caesar to Justinian, from the first century BC to the 6th century AD. The 162 pieces are mainly goods from everyday life. The show is a joint project isch-Germanisches Museum in

Cologne, Romisch-Germanisches

Museum, Caesar's Glass, This

West Germany

between the Corning Museum of Glass, New York, the British Museum, London, and the Rom-Cologne. Until August 28. Munich, Haus der Kunst, 60 Prinzregenistr. An important exhibition, centred on the city of Munich, which provides a broad view of the West German cultural scene. There are about 640 works – paintings, graphics and plastics – by 470 different artists, including over 100 women. Twenty-two works by the Austrian painter and sculp-tor, Alfred Hrdlicka, form the highlight of the show. The exhibition is organised by three group of artists. Ends Sept 11. Italy

Ends Sept 4. Rome, Palazzo Venezia. Imago Venice, Palazzo Grassi. The

Phoenicians. The fourth major exhibition at Fiat's imposing art centre on the Grand Canal attemps to give a complete picture of this extraordinary people, who dominated trade in the Medwho dominists trans in the sale iterranean for over 1,000 years before their capital, Carthage, was finally destroyed by the Romans in 146 BC. The exhibition has been given a highly the-atrical presentation by the architect Gae Aulenti. Sarcophaghi project at odd angles from a pile of pink sand on the ground floor of the Palazzo; in an upstairs room, model ships stand immobile in a rippling artificial lake, and a huge polystyrene wave engulfs a Phoenician wreck. Many of the 1,200 objects dis-played (gold and silver jewellery, statues and reliefs in terracotta, bronze and ivory) are extraordinarily beautiful and the 750 page catalogue, published by Bompiani, is excellent. Until Nov & Venice, Palazzo Duzale, Mexican Art pre-Columbus, 140 powerful and disconcerting works lent by major Mexican museums, dating from the 2nd century P.C.

to the Spanish conquest of 1521.

Netherlands Amsterdam, Staddschouwburg. The English-Speaking Theatre of Amsterdam in Agnes of God by John Pielmeier, directed by Bryce Pederson (not Sun or Mon). (24 23 11).

New York Cats (Winter Garden). Still a sell-out, Trevor Nunn's produc-tion of T.S. Eliot's children's poetry set to music is visually startling and choreographically feline. (239 6262). A Chorus Line (Shubert). The

longest-running musical in the US has not only supported Joseph Papp's Public Theater for eight years but also updated the musical genre with its backstage story in which the sone are used as auditions rather than emotions. (239 6200). Les Misérables (Broadway). The magnificent spectacle of Victor

(229 6200). Starlight Express (Gershwin). Those who saw the original at the Victoria in London will barely recognise its US incarna-tion: the skaters do not have to go round the whole theatre but do get good exercise on the spruced-up stage with new bridges and American scenery to distract from the hackneyer pop music and trumped up, silly

and obvious meditation on the true story of the French diplomat whose long-time mistress was a male Chinese spy. (246 0220). Speed-the-Plow (Royale). David Mamet applies his biting sarcasm and ear for the exaggerations of American language to Hollywood, in this screamingly funny and wall plotted except of the

wood, in this screamingly funny and well-plotted expose of the film industry. (239 E200). Stranger Here Myself (Public). Angelina Roux performs two decades of Kurt Weill's songs in a one-woman show covering the composer's careers in Berlin, Paris and New York. (598-7100). Washington

Les Misérables (Kennerly Center Opera House). The touring com-pany of the international hit of last season brings to Washington last season brings to Washington the historical sweep of Victor Hugo, set to music and an insistent contemporary beat. Ends Oct 15. (254 3770). Sleuth (Eisenhower). Stacy Keach and Maxwell Caulfield

star in the mystery pitting a writer against a mild-manner travel agent who's stolen his

Chagall (cows are frequent sym bols). His is a world from which women are largely excluded. despite the repetitive theme of heredity and rebirth. Ends Aug

Martiguy. The Glanadda Foundation is showing the second part of treasures on loss from the Sac Paulo Museum, Entitled From Manet to Picasso, it is especially rich in Renoirs, from soci-ety portains and little girls in frothy lace and pink and blue sarin, to a fleshy nude. Van Gogh, too, is well represented with his famous Arlesienne and landscapes with termented trees There is Cezanne's portrait of his wife, a Tahiti scene by Ganguin, early Picassos and Manet's Marie Lefebvre, riding side sad-dle all clad in black and looking as seductive as Bonnard's appea ing nude or Degas' ballet ers. (23978). Ends Nov 6.

New York American Craft Museum. An ambitious exhibition traces the history of American architecture back to the turn of the century, and emphasizes the work of art-

only. (842 5311). The National Theater of the Deaf (USA) with the Japan Theatre for the Deaf (Sunshine Theatre,

for the Deaf (Sinshine Theatre, Ikebukero). Worth seeing even by people who can hear. Ends August 28. (967 4389).
The Sound of Music (NHK Hall). Touring production (in English) of the ever-popular and ob-so-sen through Backers and Haustone and Haustone.

of the ever-popular and oh-so-ser timental Rodgers and Hammer-stein musical with Pat Boone's

daughter, Debbie, as the singing Maria van Trapp. Ends August

Idamante (Nakano Sun Piaza).

Spectacular but bland Japanese musical based on Mozart's ido-menso and starring pop idol

Masahiko Kondo (Machi). The production is by kabuki show-

by the design team that made his Super Kabuki production,

Ends August 24. (379 2609).

man ichikawa Ennosuke, aided

Yamato Takeru, such a success.

Opera za no Kaijin, better known as The Phantom of the Opera

31. (237 9000).

ists like Tiffany, Lawrie and Louise Nevekon who were com-missioned to add art to the archi-tecture, Ends Sept 4.

National Gallery. More than 60 masterworks, from the superb 16th-18th century collection of funich's Alte Pinskothek. include peintings by Rubens, Rembrandt, Titian, El Greco and Van Dyck. Ends Sept 5. National Gallery (East Wing). To mark the 350th anniversary of the first Swedish colony in North America, the exhibition covers four Swedish monarchies in the 19th and 17th centuries and shows Sweden as a respica-dent and aggressive world power through objects and 100 paint-ings on loan from the Royal Treasury, the National Museum and the royal collections. Forts and the royal collections. Ends

Art Institute. Photographs by Josef Sudek. Using his native Prague as the background, this avent-garde photographer, who died in 1975, captured the lyrical

OPERA AND BALLET

English-Speaking Theatre of Amsterdam in Agnes of God by John Pielmeier, directed by Bryce Pedersen (not Sun or Mon). (24 23 11).

Stantsoper. The opera house begins the season, under its new directors Gerd Albrecht and

Peter Rzicks, with a concert ver-

sion of Therese by Massenet. The cast stars Agnes Balsa, George Fortune, Richard Leech,

Urban Malmberg, Peter Hasge, conducted by Gard Albrecht.

Arena, Aida, with Grace Bumbry

as Amneris, conducted by Don-

ato Renzatti, Also: Ponchielli's

La Gioconda, conducted by Christian Badee, Turandot with

Studeschouwhurg, The

Amsterdam

Hamburg

Veronz

quality of the Casch people and the country's beautiful land-scapes. Ends Sept 3. Art Institute. More than 50 Dutch and Flemish 17th century masterpleces from the Hermitage in Leningrad, including works by Rembrandi, Rubers, van Dyck and Frans Hais, kick off a collab-orative effort by US and Soviet museums Enda Sept IB.

Tokyo

Tokyo National Museum. The Splendour of Turkish Civiliestion: Ottoman Treasures from the Topkapi Palace. The former Seragilo of the Sultans in Islambul boasts a magnificent location, overlooking the Bosphorus, and houses a suneth collection. and houses a superb collection of classical antiquities, manuof classical antiquities, manuscripts, armour, textiles and other artefacts. This selection of 150 items focuses on the bayday of the Ottoman Kenpire. Iron the 16th to 18th centuries, high-lights include a steel helmet incrusted with priceless rubles, turquoises and amothests, and a wooden throne inlaid with above mother of pairl and allchony, mether of pearl and sti-ver. Closed Mendays. Begins Aug

New York

New York City Opera. The week features Lotfi Mansouri's new production of il Barbiere di Sivigproduction of II Barbiere di Sivigiia, conducted by Sergiu Comissiona, plus Metistofele, La Bubème and Lucia di Lammermoor.
State Theatre, Lincoln Center.
Lincoln Center, Cut-of-Doors
Festival, This weck's free performances in the month-long festival, held in the plans and Damrosch Park, include Prime
Movers with solioists Felicia Norton and Yves Musard (The Spm):
Gunter Hampel and the Time
and Space Galaxy (Wed 12 noon)
and a Country Dance Party and a Country Dance Party (Thur 8,15pm). (877 2011).

Chicago Bavinia Festival. A week of per-formances by the Hubbard Street Dance Company, a popular local modern dance troupe led by Lou Conte, combines ballet, jazz and tap idioms. (728 4642).

Washington Wolf Trap Fastival, Wolf Trap Opera Company, using Maurice Sendak's whimsical sets from Glyndebourne, perform The Love of Three Oranges (Thur). (432

Tokyo Chang Mu Dance Company from Chang Mt Bance Company from South Kores. Sunshine Theatre. Rebukerq (Tue-Thur). (887 4369). Teshigawaf/ Saburo (avant garde dancer). Outdoor Theatre, Rebukero (Tue, Wed). (987 4369). Endolf Nureyev and dancers from the Paris Opera Ballet. Exceptable Mall (Tue, Bril) (960 Koseinenkin Hall (Tue-Fri). (960 4666).

10:10

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MUSIC

London Royal Philharmonic Orchestra, conducted by Vladimir Ashkenazy. Strauss and Tchaikovsky. Royal Albert Hall (Mon). (589

New York Philharmonic Orchestra, conducted by Zubin Mehta. Reethoven. Ellen Taaffe Zwilich and Stravinsky. Royal Albert Hall (Tue).

BBC Symphony Orchestra, con-ducted by David Atherton with Lucia Popp (soprano) and Thomas Allen (baritone). Britten and Mahler. Royal Albert Hall (Wed).

BBC Philharmonic Orchestra, conducted by Edward Downes with Ida Haendel (violin). Men-delssohn, Alexander Goehr and Beethoven. Royal Albert Hall

Paris

Louis Robilliard, organ. Olivier Messiaen, Rachmaninoff, Turnemire. Saint-Germain-des Pres Church (Mon 8.30 pm). Quator Parisii, with Philippe Cassard (piano). Roussel, Fauré, Beethoven Auditorium des Halles (Tue 7 pm).

Alice Ader (piano). Olivier Messiaen's Les Vingt Regards sur l'Enfant Jesus. Auditorium des Halles (Wed 8.30 pm). Australian Youth Orchestra, conducted by Christoph Eschenbach, with Tzimon Barto (piano). Graene Koene, Rachmaninoff, Messiaen, Ravel Radio France, Grand Auditorium (Thur 8.30

. j

Amsterdam

Concertgebouw. Riccardo Chailly conducting the Concertgebouw Orchestra, with Ronald Brauti-gam (piano). Mozart, Bruckner (Mon). (718 345).

New York Mostly Mozart Festival. Israel Philharmonic, conducted by Kurt Masur, with Heinrich Schiff Ccello) and an all-Havdn programme (Mon). Mostly Mozart Festival Orchestra, Gerard Schwarz conducting, with the Mostly Mozart Festival Chorus directed by Joseph Flummerfelt: all-Haydn programme (Tue, Wed). Beaux Arts Trio, with a programme of Haydn, Mozart, Mendelssohn (Thur). Avery Fisher Hall, Lincoln Center (874 2424). Juilliard Concerts, Hong-Ying

Ho: violin and plano recital. Stra-vinsky, Prokoflev. Free concert at IBM Atrium, 56th & Madison,

Washington Wolf Trap Festival. Pop concerts this week include Joan Armathis week include Joan Artha-trading (Mon); Kenny Loggins (Tue); Roy Orbison and Carl Per-kins (Wed); and Gordon Lightfoot (Thur). (432 0200).

Hall (270 6191).

Tokyo Yomiuri Nippon Symphony Orchestra Summer Festival. Film Music (Mon); Opera Concert (Verdi, La Travlata etc.) (Wed); Concertos (Mendelssohn, Dvorak, Tchaikovsky) (Thur). Suntory

THEATRE

Too Clever By Half (Old Vic). A fizzing Gogolian production by Richard Jones of Ostrovsky's by Richard Jones of Ostrovsky s Diary of a Scoundrel, with remarkable Expressionist designs by Richard Hudson and a brilliant central performance by newcomer Alex Jennings. Until August 13, (928 7616, credit cond hockings 921, 1871) card bookings 261 1821).
Easy Virtue (Garrick). Transfer of King's Head revival of early Noel Coward, same period but lesser vintage than Hay Fever, but worth seeing. (379 6107). South Pacific (Prince of Wales). Average, traditional revival of the great Rodgers and Hammer-stein musical, with Gemma Cra-

ven failing to wash the baritonal Emile Belcourt out of her hair. (839 5989). The Phantom of the Opera (Her Majesty's). Spectacular, emotion-ally nourishing new musical by Andrew Lloyd Webber. (839 2244, credit cards 379 6131/240 7200). Follies (Shaftesbury). Eartha Kitt and Millicent Martin now revival of Sondheim's 1971 must cal, in which poisoned marriages nearly undermine an old bur-

esque reunion in a doomed thea-

tre. (379 5399). Hapgood (Aldwych). New Tom Stoppard mixes espionage, romance and higher physics. Felicity Kendal is the eponymous intelligence agent, Roger Rees and Nigel Hawthorne in elegant support. (836 6404, credit cards 379 6233).

Hugo's majestic sweep of history and pathos brings to Broadway lessons in pageantry and drama.

plot. (586 6510).

M. Butterfly (Eugene O'Neill).

The surprise Tony winner for 1988 is a somewhat pretentious

Tokyo

Takigi Noh (Sensoji Asakusa Kannon Temple). Japan's ancient and esoteric theatrical art form takes to the open air in summer, with special performances by torchlight in temple compounds torchlight to temple compounds
that always attract large crowds.
A Noh play and a comic interhide (kyogen) form the programme for this performace by
the Kanze Noh School at Tokyo's
most famous temple. Thursday

Galia Savova, Patrizia Orciani and Bruno Bonisolli; and a balle by Lorca Massine — Zorba the Greek to Theodorakis's music, (Nissel Theatre), Japan's leading musical company, Shiki, acquits itself well in what is a virtual conducted by the composer.

cash wall in what is a virtual cashon copy of the London original. The Japanese translation is often awkward, but Andrew Lloyd-Webber's gift for musical pastiche, Harold Prince's romantically evocative staging and Meric Diograph's chuning cats. Pessro Testro Rossini, Pier Luigi Pizzi's Maria Biomson's stunning sets and costumes make for an enjoy-able evening. (503 3111). Les Misérables (Imperial Thea-tre). This stirring musical adapproduction of Rossini's Otello opens this year's Rossini Festi-val, with John Pritchard conout, with John Frictian con-ducting the RAI Orchestra from Turin, The cast includes June Anderson, Chris Merritt, Rock-well Blake, Ezio di Casare and Glorgio Surjan. tation of Victor Hugo's novel of the Paris barricades has returned to Tokyo for another four-month run. (201 7777).

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CINEMA

Warfare and whimsy in Never-Never-Land

War is a wholegrain, macrobiotic movie. teeth, and though it may not be very tasty you know it is doing you good, just like your

morning muesii.

Directed by Robert Redford

his first film as director. since his Oscar winning debut Ordinary People – the film adapts John Nichols's novel about land squabbles in rural New Mexico. On our right, the nasty property-speculators building a giant "leisure val-ley." On our left, the poor liispanic farmers who are about to be robbed of their water, their wide open spaces and their

velihood. Given the moral earnestn Given the moral earnestness that might have been visited on us with this plot, we escape lightly — but not unscathed. Instead of hitting us over the head with righteous indignation, Redford assaults us more gently with whimsteal comedy: Frank Capra meets Disneyland radicalism. At its worst, this produces scenes of cartifiable produces scenes of cartifiable feyness, such as the credits montage of an old man dancing through the village in all-houstte playing an accordion. (He turns out to be the local ghost). It also produces some crayoning-book, characters. The chief developer (Richard The chief developer (Richard Bradford) is a tuppence-coloured villain, snapping at his yes-men, growling at his hitman (Christopher Walken) and sporting the obligatory off-the-shoulder playgirl, complete with candy-floss hair and cooing voice (Melanie Griffith). But burnished by comedy, the villagers are a more beguiling bunch: sun-struck idlers mixed in with errafically enermixed in with erratically energised fighters. Neither bean-field owner Chick Vennera, whose hot-headed re-routing of a water-course starts the feud, nor Sheriff Ruben Blades, so laid-back he is almost horizontal, look cut out for heroism. Nor do the village's two bewil-Nor do the village's two bewil-dered Wasps. John Heard's, land war. But the war is a war

THE MILAGRO BEANFIELD WAR Directed by Robert Redford

BEETLEJUICE Directed by Tim Burton

POWAQQATSI
Directed by Godfrey Reggio

THE MANCHURIAN CANDIDATE Directed by John Frankenheimer

crumpled ex-lawyer plants out his daisies like a memorial garden to 60s flower power, and visiting New York sociology student Daniel Stern gets nowhere with his offer to teach the village kids. "If we don't know it already, chances are we aren't interested in it," says the Mayor.

The only firebrand is Ruby (Sonja Braga), self-appointed activist and news-sheet editor. But even she has as hard a

activist and news-sheet editor.
But even she has as hard a
time from her own villagers as
from the buildozing enemy.
"Wake up, Ruby," says someone, "it isn't the 60s, nobody
cares any more."
And that, alas, is the trouble.

However wry and self-aware the movie's style at best may be, its substance still amount to a message whose sell-by date was the late 1960s: a clarion call of resistance at the first threat from such evil-invaders as Money, Progress or Development. There is much talk in the movie about defending centuries of tradition. But the chief traditions of this village seem to be poverty and muddle-headedness. The argument that the new develop-ment would bring jobs and prosperity is briefly aired and then run out of town. Better the pride of the doomed than the compromises of survival. The Milagro Beanfield War is a



ing himself up after one meta-morphosis — he has just turned into a fairground

strength-testing machine – he mutters exhaustedly, "Now you see why I won't do two shows a night any more."

round him the movie,

directed by Tim Burton of Pee Wee's Big Adventure, behaves like a frightened congregation of debris trying to avoid the suction area. Most charismatic debria the teamour Special

debris: the tearaway Special

FX (from headless corpses to giant sandworms) and Cather-

ine O'Hara as the snobbish

New York wife, pouring petu-

lant sophistication even over takeaway dinners: "I can't

believe we're eating Cantones

doesn't this town have Sze-chuan?" Worst debris: the

cavortings of guest stars Dick Cavett and Robert Goulet as two Manhattanites brought

down to savour the ghostly

But fun wins out in the final,

reel: an exuberant nalpurgis-nacht of transfigurations and wisecracks, which shows that

age in The Milagro Beanfield War Gun law and a moral mess

of radicalist whimsy and the land is Never Never Land, New Mexico.

The territorial battles waged in The Milagro Beanfield War pale beside those in the Gothic comedy Beetlejuice. When a recently-drowned young couple (Alec Baldwin and Geena Davis) find their New England house approach by a pretentious house usurped by a pretentious family from the Big Apple – the young couple are living in the attic as ghosts – they summon Beetlejuice (real name Betelgueuse) to help expel the frenties.

Played by Michael Keaton, he is a snaggle-toothed, hip-talking ghoul who advertises himself as "the afterlife's lead-ing bio-exorcist. But like mostdomestic troubleshooters, from plumbers to TV repair-men, he creates more trouble than he shoots. He makes passes at Ms Davis, he can turn into a giant serpent or a game-show host at will, and he has seen too many with, and he has seen too many Clint Eastwood films. "Go ahead," he growls whenever threatened by an enemy, "make my millennum.?

Keaton, whose own career has attracted the attention of the undertakers lately (see Johnny Dangerously and Gung Ho), leaps back to life here. Gangrenous of complexion, cobwebbed of hair, manic of gesture, he trounces the acting if you go over the top you might as well keep going and forget about accident insuropposition and behaves like a delinquent vacuum cleaner for all the movie's best lines. Pick-

Godfrey Reggio's Powagaatsi, like its eco-documentary fore-bear Koyaanisaatsi, resembles a Cinerama travelogue hijacked by the Green party. For the eyes and ears: sumptuous landscapes and cityscapes from Hong Kong to Nepal to Los Angeles, with yards of sonic gift-wrapping by composer Philip Glass. For the brain: major ecological messages.

We open with mud-brown workers in an ant-hill quarry in Peru. Reggio's avowed focal point in this film is the Third World, and scenes of teeming humanity alternate with God's eye views of the world seen in majestic, elemental indifference. Silver seas dwarf bobbing fishing-boats, aerial cameras glide over vistas of plain or mountain peak. That favourite weapon of documentarists, the telephoto lens, is used to flatten human progress into a vain struggle to move from back-ground into foreground. The movie looks terrific and

sounds even better. Glass has kidnapped the music of the spheres and arranged it for

But as with Koyaanisquisi the film as statement adds up to banality. Once more we have a Hopi Indian word conferring mystic sanctity on the title. (Powaggatsi means "parasite on life": that is, we First World predators and parasites feeding on the Third World's poor). And once more the sacred humanity of the underdevelhumanity of the underdeveloped countries is contrasted with the zombie impassivity of workers in the prosperous West. Reggio's ideological platform may be honourable; the world is out of joint, the scales are prosperity are ill-balanced. But in redressing that balance, Reggio uses the old, discredited weights of sentimentality for the poor and cilbly generalised. the poor and glibly generalised contempt for the rich.

The week's best film is 26 years old. The Manchurian Candidate sloughs off its quarter-century and comes up good as new, indeed better. Decades of Watergates and Irangates, Vietnams and Nicaraguas, have buffed this political thriller into a frightening prophetic radiance. The Western world can see its face in the plot today, which throws out grimly witty grimaces of Cold War alarm and corridors-of-

power paranoia. power paranoia.

Here is Major Frank Sinatra stricken by post-Korean night-mares. Here is his decorated ex-comrade Laurence Harvey, now behaving very oddly. (He has surely not been groomed as a killer by the Communists? Goodness — perhaps he has). And here is Angela Lansbury as Harvey's mother, whose as Harvey's mother, whose political ambitions and skullduggery make Richard Nixon seem like Little Bo Peep. John Frankenheimer directs like the master he never quite became later. And George Axelrod's screenplay, from Richard Con-don's novel, is a classic: a maze suspense the audience delights to explore, never knowing if the next turn will-bring horror or black hilarity.

Nigel Andrews

The Fancy Man

HAMPSTEAD THEATRE

The play enjoying its London stage premiere in Swiss Cot-tage was first broadcast on Radio 4. This may explain the short scenes of its construction, on stage clumsily sepa-rated by incomplete blackouts, while children's voices are heard singing old street-game songs.
The air of contrivance is

intensified by Ruari Murchison's awkwardly manoeuvrable set: an expressionistic, almost dream-like, slanting jumble of kitchen and bedroom, with a green slope that winds past the iron bedstead. winds past the fron bedstead.

Alan Dossor's direction is correspondingly clumsy. Despite
the rough wooden table and
iron range that bespeak the
kitchen, the often-mentioned
food is apparently stored elsewhere in this Donning where in this Pennine labourer's cottage. And though the men pour ale from a jug, as befits 1923, they drink from rather nice glazed coffee-mugs that smack of Habitat; as does. the stainless steel strainer that the young wife uses for vegetables, unlike the colander favoured, one imagines, by her

contemporaries.

But Amy is amazingly, indeed inexplicably, advanced. She never mentions Mr Lawr-ence but evidently shares some of his preoccupations, among them the joy of sex. To intro-duce her simple husband Arthur (demon bowler, goalie, pigeon-fancier – you get the stereotype?) to ecstasy, she arouses his jealousy by invent-ing a "fancy man," an admirer she meets on country walks and to whom she attributes

refined voluptuousness. The course of true sensuality runs a little bumpily; but Arthur is finally cajoled into rolling her stockings down and kissing her mole (a blemish, anot the family pet). Soon they are keeping the neighbours awake all night, giving the lie to those sociologists who believe noisy fulfilment to be a modern phenomenon and that the working classes were tradi-

tionally prudish.

Mr Stott's slight play is couched in terms of music-hall or Afternoon Theatre humour, much drollish chat ylelding slender returns in wit. It is not



Julia Lane

as patronising as his greatest success, Funny Peculiar, which also showed unsophisticated provincials rolling back their sexual horizons and much else and sniggered at them for this audacity; but the uncer-tainty of tone makes the tragic conclusion seem merely arbi-trary, as if the author had no idea how to wind up. A programme note on the play's inspiration, a tombstone, suggests that Mr Stott began with gests that Mr Stott began wun the ending and has had trouble finding a suitable couple of

hours to precede it.

Given the limitations of style - Bill Naughton without the heart but with the clichés the actors are excellent. Julia Lane and Ian Mercer are the young pair, he bluffly unimaginative, she yearning for bet-ter things, both sweet and touching in an improbable con-text. Cecily Hobbs as a sar-donic confidant and Bernard Gallagher's comic timing as a smoking, fornicating, sportsloving doctor add to the plea-sure, which extends to Domi-nic McHale's very accomplished professional debut as Arthur's wryly innocent little workmate. But after the seventh or eighth burst of childish sing-song on the sound-track, I began to wonder if Herod had come from Lancashire.

Martin Hoyle

Going native in Utopia

The only Scottish company on the official Festival drama pro-gramme is the Brunton Thes-tre of nearby Musselburgh, vis-iting the Church Hill in Marningside before activation

Morningside before returning to have on August 26.
Compared to special products one; grown Festival products one; recalls with a shudder The Wallace and its IIk - the Brun-ton revival of James Bridle's Holy Isle is not half bed. It is efficiently directed by Charles Nowosielski and designed by Nick Sargent as if nothing had happened in the theatre since the play's premiere in 1942. However, it does nothing to restore Bridle's reputation in a centenary year that has already failed to stir within me much enthusiasm for Doctor Angelus at the Glasgow Citizens or Mr Holfry at the Edinburgh Lyceum

in short, I reckon that Bridie's a gener, a yellowing back number. Holy Isle is a bleached, whimsical Utopian play with coy echoes of The Tempest. The time is "long ago," the time of Camelot. The Queen of the Orkneys, King Arthur's sister, is wrecked on the mythical island of Ultima Thule along with an entrepre-neurial courtier, a missionary priest and a West Country sailor whom she fancies.

These colonials call them-selves "Teachers" while the happy natives, led by a seriess hippie called She — and I'd like to see Charles Aznavour and Herbie Kretzmer trying to write a song about her — exist representation of dismocracy and mackness and call themselves "Ponderous," Ponderous, more

Admittedly, in his wan fashion, Bridle is aiming at satire. But even that approach is dropped half way through the second act (there are three) second act (there are three) and the play dissolves in a miasma of gurgling platitudes shared among men with names like Goat, Skylark, Ku, Wawa, Kwoo and Qua. The entrepreneur finds a copper mine, the priest tries to spread the goenel, the Gueen comes to a political control of the goenel. pel, the Queen comes to a political compromise with She, and

even goes "a little native."
In the stalls, I was going a little gaga. At least it confirmed my belief that all the best Utopian propositions are in fact satirical dystopias, as in Huxley, Orwell and Zamyatin. Howard Brenton's Greenland is a more recent example of a dramatic failure to grasp this point but, next to Bridie, even an off-form Brenton sounds like Shakespeare, Dante and Ben Jonson rolled into one. The acting is of average com-

petence, Vivein Heilbron and Anne Lannan as the chief protagonists and Michael Mackenzie as the booming monarch who spoils the party. Richard Cherns has composed some effective folksy island music, but the occasion reeks of second-rate repertory the enterprise and can only be festival for the entirely mappropriate reasons of being cheap and local.

The first visitors this week to Frank Dunlop's official inter-national theatre programme were from Canada: the Canadian Stage Company in Tom Wood's B-Movie at the Royal Lyceum, and the Native Earth Performing Arts in The Rez Sisters by Tomson Highway at

The first is a camp comedy spoof, the second a shanty town feminist knees-up set on an Ontario Red Indian reserva-tion ("rez"). Both shows hail from Toronto, neither is really worthy of inclusion in a great international festival. Not for the first time, you begin to wonder if Frank Dunlop's democratic enthusiasms do not sometimes impair his selective judgements. Are these items chosen by the Festival, or are they simply made available by



Trouble in Utiopia in Holy Isle

a Ministry of Culture anxious to make an impression? In B-Movie, an apprentice film maker, Art Findell (Tom Wood), is badly in debt and is shooting an updated version of Oedipus Rex. A hunky male stripper is employed to partner a statuesque blonde television

script with a dash of the old. Phil Silvers half-hour slots, On

star who wishes to gain a respectable credit or two. This pair end up in bed with Art's devoted sidekick, Lottle. The point of the show is to invoke a second-rate cinematic genre while mobilising a tech-nical farce about low budget film-making. Thus Bob Baker's underlably efficient production is not a musical like The Rocky Horror Show, but something akin to a bad Marx Brothers this level, the evening works fitfully well, much aided by the gymnastic comedy antics of Tom Wood and Stephen Oul-

An open window is fallen through umpteen times, sofas upset by sudden weight transference, the grey and white loft apartment interior (designed by Stancil Campbell) magically invaded by technicolor the moment Gloria Hunt appears in the doorway. An extended "take" in the second act is a beautifully controlled mimetic sequence, Art and Stan sliding around on a trolley with a hand-held camera to record encounters of stilted dialogue and thunderous banality. The show is fun, but that is all. It ends clumsily, with a sort of exhausted death rattle,

as if Mr Wood had simply had enough of indulging himself. Dana Brooks is a sight for sore eyes as the blonde Gloria, large in all the right places, and Corrine Kolso sweetly bright as

Art's adoring accomplice.

The Rez Sisters is not even ich fun, in fact none at all. The Indian womenfolk bemoan their lot, go to Toronto for a bingo competition (with audience participation) and return home to carry on moaning. The sets are amateurish, the acting dreadful, the text banal, the venue itself - imaginatively used for Wajda's Crime and Punishment a few years ago - appropriate only in the sense that it reeks of village hall dramatics.

Michael Coveney

BBC Symphony

Wednesday's Prom concert bells). In general effect, it is found Peter Ectvos conducting the BBC Symphony in an all-modern programme that was evidently more congenial to him, or at least better served by his conducting style, than were Liszt and neo-romantic last week. If in Stravinsky's plano-and-orchestra Capriccio he gave no sign — nor did the soloist, his wife Pi-hsien Chen — of having noticed that it is a rollicking, jokey piece, their joint account was at least neatly dry and

The inspired Symphony of Psalms fared still better: not a cool reading at all, but soberly measured (with rare care for Stravinsky's breath-markings), scrupulously balanced notable achievement in the double-fugue movement - and rich in impersonal drama. The BBC Singers and Symphony Chorus contributed soundly. though their altos could have done with reinforcement, and ideally the great coda wanted longer breaths to sustain its rapt line. Those were mere flecks in a seamless and moving performance.

Franco Donatoni's Arias sets five poetic meditations on love, secular and sacred, for a rocketting high soprano and a large orchestra with all sorts of things that chime, tinkle, clang and crash (the last poem compares Amore to the sound of

not unlike an expanded - or inflated - version of Dallapiccola's Concerto per la notte di Natale, which also sketched ecstasies for an Italian-style soprano; but the Expressionist whoops and lavish theatrical hes of *Aria*s make Dallanic cola's lean serialism sound austere. Sarah Leonard lent her voice to Donatoni's florid gestures, as melodically tantalsing as the orchestral harmo-

nies are opaque and ambigu-ous, without apparent effort and in properly bell-like tones. The concert began coura-geously with Elliott Carter's Variations for Orchestra of 1955, a big-boned piece that pursues multiple tracks with conscious (and slightly academic) ingenuity. Eotvos kept the detail lucid, and the broad proportions in good order. without putting much flesh on the bones: the numerous transitions, which are the dramatic lifeblood of the score, were played through tamely. One should be less aware of distinct episodes, more of constant development forward - but to make that felt, the players probably need the confident familiarity with their parts that only a whole string of performances can supply. This one was a thoughtful

David Murray

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Marcel Marceau

Marcel Marceau's admirers will need no more notice than the news that he is installed at Sadler's Wells for the next three weeks in order to flock to his presence. For them his silence is golden indeed, his gestures speech enough, his messages from the further edges of fantasy the very stuff of theatre.

His programme last night was generous with scenes in which the master of the chalky face and walking on the spot displayed all his customary art and skill in the creation of a world where no gesture does not bear elaboration, no situation allow of directness when complication can be effected.

His public delights in every clever trick — and Marceau has tricks galore up the exiguous sleeves of his outfits - and responds with the most acute sensitivity to his caprices when a painter suddenly turns into a violinist, or Bip (his mime alter ego) searches for his lost rail ticket.

To someone outside the magic circle of Bippery and mimetic comedy — and that someone is dear to my heart there is an awe-inspiring quaintness about the show. I salute Marceau's evident mastery without being in the least

moved by it. His is a virtuosity that I recognise, yet at no moment am I touched by it. Not for me the happy laughter as he fills a public park with a series of caricatures; I feel no frisson when he essays the macabre as an eater of people's hearts. And in an uncertainly comic scene about a Samurai and his sword, I was irresist-ibly reminded of the dignity and theatrical splendour of Kabuki performers who, in powerful and soul-disturbing sture, have shown us the ritnal inevitability of suicide. Marceau merely cheapens the

But lest it seem ungenerous to comment so on an eminent man of the theatre, I record that last night's audience were as responsive and delighted as Marceau could wish.

With three assistants, he embroidered with surreal wit upon the idea of a pickpocket whose arms were nightmar-ishly extended. In his solos he was by turns funny, pathetic, mocking, and established a country of unseen but believ. able facts where his audience gladly followed him.

An evening for devotees.

Clement Crisp

EFFECTS

blisters skin. Can cause slow death if inhaled or

Germany Attacks eyes & threat.

រាជនុខនាងស៊ី, Similar, more rapid

Germany Lung collapse

Disrupt museular

breathing, Sweating,

convulsions, death

by asphyxiation.

romiting, involuntary

body functions, twitching.

WHERE FIRST

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Friday August 19 1988

Pakistan after Zia

of Pakistan looks likely to have been the result of sabotage. However, it will be difficult to point the finger of accusation in any one direction because he had many enemies both inside and outside Pakistan.

Disgruntled elements within the Pakistani armed forces, Afghani intelligence, moderates within the Afghan guerrilla movement, the Soviet Union and even Shiite funda-mentalists all had good reason to see the end of the General. But rather than concentrate on this issue, it is more important to adjust to the situation as it is. Pakistan has been left rudderless. The late military ruler groomed no clear successor among his own officer corps, while he has left the opposition divided and debilitated by vears of repression.

This is a prospect which must be of serious concern to Pakistan's friends and allies, especially China and the US, as well as neighbours such as India. Nevertheless, the uncer-tainty of internal developments in Pakistan should not obscure the fact that the international consequences of President Zia's death are less alarming. Providing Moscow and Washington can keep their lines of communication open, there is a chance that President Zia's departure could contribute to a more clear-cut solution to the Afghan problem, which has been the main cause of superpower rivalry in this corner of Asia since 1979.

President Zia was the most enthusiastic supporter of the coalition of guerrilla forces fighting the Soviet-backed Najibullah Government in Afghanistan. He was also the chief conduit for US aid to the Afghan resistance movement. In this role he was able to secure support for Pakistan's economy, military assistance and political backing that gave respectability to his regime.

Had President Zia's death occurred before the Soviet leadership agreed to withdraw its troops from Afghanistan, circumstances would have been very different. The US would have been presented with the loss of an ally whose co-operation was essential to resistance to humiliate the of government.

Soviet Union. As it is, the agreement reached in Geneva last April committed the Soviet Union to withdraw its troops within a year and since then there has been nothing to suggest that Moscow is anything but genuine in its desire to end direct involvement in Afghan-

Pakistan, on the other hand, has shown little inclination to end support for the guerrillas, provoking protests and veiled hints of retribution from Moscow in recent weeks. The Soviet Union understandably does not wish to delay the timetable of troop withdrawals or to see the Najibullah Government negotiate Afghanistan's future from a position of total weakness. This view has been shared by moderate elements within the Afghani opposition who have no love for the Soviet Union.

Soviet intentions

If the Reagan Administration is convinced of Soviet intentions regarding Afghanistan, there is an opportunity for Washington to use its influence in Pakistan so that the heat is taken off the Afghan issue. This could be unpalatable, especially if the Afghan Government was implicated in President Zia's death - and that of the US ambassador to Pakistan who died in the same

However, Washington can-

not squeeze much more mileage from the Afghan resistance and the Geneva agreement has had the effect of reducing Pakistan's geo-political impor-tance. Pakistan traditionally owed its strategic significance for the US to its role as a counter to Moscow's alliance with India and as a monitoring post on the Soviet Union's southern flank. The easing of superpower tensions, the stand-off relationship, though still uneasy, between India and Pakistan, and the changing nature of intelligence surveil lance have rendered Pakistan less crucial

Taking Afghanistan off the boil would have the further advantage of allowing the Pakistani political class and the military to concentrate fully on internal matters, and there are enough of these. starting with the need to evolve a more democratic form

The true cost of commuting

THE PROPOSALS which British Rail is discussing for a steep increase in fares for long distance commuters reflect two different pressures: the Gov-ernment's tighter financial targets and the need for prices charged by nationalised - and private - monopolies to reflect more accurately the cost of The two should not be con-

fused. There are good theoreti-cal reasons why British Rail, in common with most other railway systems in the world. should receive at least some level of public subsidy. But this by no means implies that the nation should provide special incentives for people to live far away from their work.

As last year's Monopolies Commission report into Network South East pointed out, British Rail has tended to allocate its subsidy to the commuter services, partly because they incur the highest costs and partly because of political pressures. This is difficult to justify. Commuters use the service at peak periods when efforts to improve reliability or reduce overcrowding are most capital spending on rolling stock.

Fairness and efficiency

By contrast, the cost of carrying extra passengers in off-peak periods may be very low indeed. British Rall's own figures suggest that the marginal cost of running an extra offpeak suburban train might be less than 10 per cent of the cost of providing an extra service in the rush hour. Peak usage of the system is a major determinant of investment needs.

Fairness and economic efficiency both require that users at peak periods should pay roughly the long run marginal cost of the service - that is, the cost of providing the service for additional customers at that time of day. This is now an important issue on intercity services where trains are becoming overcrowded at peak times, as a result of increased long-distance commuting. However, British Rail has

not made the rigorous effort to establish relationships between costs and fares for different times and distances, which was

lies Commission eight years ago. On many routes discounts for season tickets result in similar average revenues at peak

and off-peak times. If fares are now to be raised for long-distance commuters, British Rail should be asked to demonstrate that the rise does properly reflect marginal costs, and that strenuous efforts are being made to cut costs and improve the standard of service, by better manning practices as well as investment.

Environmental gain

The Government and British Rail should at the same time examine whether the logic of marginal cost pricing should result in a greater reduction in off-peak fares, to try to make the railways better used and to spread fixed costs more widely. British Rail has been reluc-tant to lower off-peak fares to

levels at which increased traffic would fail to offset the effect of lower fares on its total revenues. However increased use of the railways will take some pressure off the roads, which are costing some f3bn a year to maintain and develop, or four times the inflow of public funds into British Rail. The environmental advantage of railways over cars, their greater safety, and their strategic importance when oil becomes scarcer are additional reasons why some elements of public subsidy may be justi-fied.

The Government is right to try to induce greater efficiency and financial realism by its planned 22 per cent cut in external financing to \$555m next year, but it should not be assumed too blandly that British Rail should be made profitable as a prelude to privatisation. The rail network cannot compete fairly with the private car so long as motorists perceive the cost of every journey in terms of the cost of petrol used, rather than the total environmental and capital costs of motoring. A squeeze on British Rail must be tempered by consideration of the wider benefits of the network and a parallel strategy to move the marginal costs of motoring in the right direction

Controlling the poor man's nuclear weapon

Chemical weapons have taken a grim toll in the Gulf war. David White looks at the difficulties in the way of a treaty to ban them.

s the Gulf war moves towards a ceasefire, it leaves the world a terrible lesson: Iraq's use of chemical weapons. It is not just the appalling effects of such weapons on their victims - people were no less aware of those 70 years ago — but their effectiveness against a poorly prepared enemy like Iran. A whole class of arms, meant to disappear after the First World War, has made a comeback, and not necessarily in a new guise. Mustard gas is not an antiquated relic of Kaiser Wilhelm, but a modern weapon which is in stock today.

Looked at optimistically, the evidence produced by the UN on the increased use of poison gas in the latter stages of the Gulf war should harden the world's resolve to pursue an agreement removing chemical weapons from current and potential arsenals. Looked at pessimistically, "the poor man's nuclear weapon" has shown its value only too well. A comprehensive ban, being worked at by 40 countries at the Geneva disarmament conference, is far from ready, and the final stages risk being over-taken by a tide of proliferation. The aim is to go beyond the 1925 Geneva Protocol which outlawed the use of chemical arms and to prohibit countries from making chemical weapons, having them or transfer-

ring them.
The ban would be worldwide, covering those countries which, like Iraq, are not involved in the talks, and would set out to monitor and verify compliance in the same way as the recent intermediate nuclear forces (INF) treaty which scrapped Europeanbased US and Soviet medium-range missiles. This the hardest part to draw up. The treaty which does exist on production of bacteriological and toxin weapons, signed in 1972, makes

no such provisions. The UK, having made a gesture of unilateral disarmament in this field in the 1950s, has been anxious to play a big part as the sense of urgency increases, so do the doubts. For many countries chemical arms are a tempting way of offset-ting an enemy's superiority in conventional weaponry, or sim-ply matching the other's chem-ical capability.

Compared with developing a nuclear bomb, chemical warfare is simplicity itself, requiring very little preparation or equipment. The arms are

cheap. They are easy to deliver, with a wide choice of means: bombs, missiles, artillery shells, mortars, multiplelaunch rockets, aircraft sprays.

They are also easy to pro-duce. Mustard gas can be made by several methods: for instance from thiodiglycol, a fairly straightforward and innocuous chemical, in itself not very toxic, widely used as an intermediate for rubber and anti-oxidants and as a solvent for dyes in textile printing. Converting it into mustard gas just requires hydrogen chloride gas to be bubbled through it.

The US reckons that whereas five countries had chemical arms 20 years ago, there are now between 15 and 20. The US itself, the Soviet Union, France and Iraq are the known possessors. Others believed or alleged to have chemical arms include Iran which the US says has used them "in limited circumstances," although little hard evidence has come to light -along with Israel, Syria, Burma, both Koreas and

Mr François Heisbourg, director of the International Institute for Strategic Studies (IISS), says that chemical warfare, seen up to two years ago in the context of the East-West balance, is becoming a North-South issue. If a ban is not enforced soon, he says, "the chemical cat will be out of the

his is one of the oldest

fields of arms control. Early treaties prohibiting gas projectiles were thrown to the winds when initial successes in spreading chlorine and phosgene on the Western Front in 1915, first by the Germans and then by the British, made way for shelling with more potent poison gases. The 1925 Geneva Protocol was eventually subscribed to by some 100 countries, including Iran and Iraq, as well as all the current Nato and Warsaw Pact members. But most countries, including the US, France and the right to reply in kind if attacked - implying, in effect, a ban only on first use of chemical weapons. This is the justi-

fication measures. By the start of the Second World War, the first of the nerve agents – which can be absorbed through the skin -

fication iraq has given for its use. The ban did not cover

development, production, pos-session or transfer, or any veri-

had been developed in Germany. But neither Hitler nor the Allies used their chemical arsenals — a restraint undoubtedly due less to the ban than to fear of unleashing an all-out chemical war. However, there have been

other instances since the 1925 ban when it is alleged that lethal chemical agents were used, starting with Mussolini in Abyssinia. Washington claims chemical agents and toxins were used by Soviet-supported Lao and Vietnamese forces and by Soviet forces themselves in Afghanistan. Iraq's repeated use of chemi-cals in the Gulf war over the past four years could well mean others will seek to emu-

weapons almost all have other, perfectly legitimate, uses. ful of British companies manufacture the compounds that can be made into arms.

as a fire retardant, but can also be used to make the nerve

agent tabun.

relevant chemicals and their precursors and Western countries have moved to co-ordinate export controls. For instance, while thiodiglycol, the mustard gas precursor, is easily available, a British manufacturer requires a licence to export it. declare what he helieves to be the intended use of a product. A system of this kind can tight. And monitoring a ban involves more problems. Any country with a chemical or pharmaceutical industry can have the necessary technology and new technologies are emerging. Both the arms and the chemicals are easy to conceal, as is their manufacture. Since everyone agrees that a ban has to be global to be effec-

The central problem in extending the ban to produc-tion and possession is that the chemicals needed to make Although Britain does not produce weapons as such, a hand-

Some can be applied directly to warfare. US officials cite the case of the choking agent phos-gene (carbonyl chloride), which goes into the production of plastics and varnishes. Others are potential basic ingredients - "precursors". One of these is sphorus oxychloride, which is used in a range of products from pesticides to hydraulic fluids, as a petrol additive and

The British Government has

been active in pressing for tighter curbs on sales of the tive, inspection would have to be worldwide and not among a small group of countries as is the case with the INF treaty. Provisions allowing challenge inspections to be made at short notice still face opposi-tion from some quarters in the

Major chemical weapons.

BLISTERING

Mustard gas *

Mustard / Lewisite

BLOOD AGENT

CHOKING AGENT

Tebun*?

Hydrogen cyanide France

spot-check principle. This does not mean that the East-West problem has been overcome, given the Soviet Union's alleged massive superiority in this field. Efforts at confidence-building have not been an unmidiate and the sound of the sou been an unmitigated success. The Soviet chemical warfare facility at Shikhany, 500 miles south-east of Moscow, which is regarded as the main research and testing site, has received two outside delegations. The first, last October, was from a large group of international representatives, who, according to British officials, "saw very little." A smaller British team went in June as part of a bilateral exchange visit, but came away disappointed, hav-ing failed to see everything they wanted to.

Geneva talks, notably india

and China. However, a break-through came last year when

the Soviet Union accepted the

Moscow officially admitted for the first time in April last year that it possessed chemical weapons, a total of 50,000 tonnes held entirely within Soviet borders. It did not spec-ify which chemicals. Britain estimates the Soviet stockpile at 300,000 tonnes of nerve agents alone. Other Western guesses have gone as high as 750,000 tonnes.

The only Western stocks, apart from a few hundred tonnes believed to be held by France, are controlled by the US. The UK abandoned work on offensive chemical warfare in the late 1950s. Its Porton Down facility in Wiltshire, involved in chemical weapons since 1916 is devoted to protec-

he US, which has some obsolescent

stocks in West Germany as well as in the US itself, also applied a moratorium from 1969. It restarted production at the beginning of this year in a modernisation programme endorsed by Nato allies. Chemical weapons offi-cially form part of Nato's "flex-ible response," but the US says it has no plan to locate any in Europe in peacetime. It is replacing old arms with "binary" weapons, a new dimension in chemical warfare, delivering the same kind of agents but producing the deadly mixture only at the final moment. Short-range 155m shells for delivering GB. otherwise known as sarin. a non-persistent nerve gas, are being made at Pine Bluff Arsenal in Arkansas, while a medium range multiple-launch rocket system and a long-range bomb, Bigeye, for spraying per-sistent VX nerve gas, are

Current US stocks are gener ally estimated at something more than 30,000 tonnes. Strangely, of all known pos-sessors, the Soviet Union is the only one to have given a fig-

Far from the public eye, the Geneva talks have made a good deal of progress towards drafting a treaty, including the products which need to be covered. The ban would embrace a wide range of toxic chemicals and precursors, as well as delivery munitions. States with chemical arms would be required to halt production. declare within 30 days what stocks they have and where

they are, and put forward destruction plans with a 10-year completion deadline. The broad shape of an international authority to supervise the ban has also been agreed.

Problems remain, however, in the detailed provisions for verification and the monitoring of civilian industries. Intrusive verification would affect private Western companies, not involved in making actual weapon compounds, on the same basis as Soviet chemical facilities. Industrialists fear both the potential disruption and the risk to commercial

in the US, legislation would be needed to force private com-panies to let forcign inspectors in. British chemical industry representatives say that while routine inspections at declared production sites of key precursors are expected to present few problems, they are less happy about challenge inspections at other, suspected sites and even less at the prospect of random visits. There is at present no confidentiality provision as to how inspectors might use the information gleaned, for instance, on process technology.

Washington insists that it does not want an agreement which lacks proper verificalateral negotiations and bilateral discussions with the Soviet Union, US officials say they are still hopeful. Others take a bleaker view. "It may be that it is simply not possible adequately to verify a chemical treaty, says Mr Heisbourg. The fact that the original

ban which it would aim to reinforce has been flouted with impunity so recently is hardly

Bangkok post

■ Now that Burma has slammed its doors shut while a discredited regime fires on its own people in the hope of surviving, the world has turned, once again, to neigh-bouring Bangkok for news.

The Thai capital's proximity to Burma is one reason for its popularity in the Best Listening Post in south-east Asia stakes. More important is the fact that the Thais have made it easy for outsiders to work

Not that the competition from other countries in the region is particularly hot. Mrs Aguino has yet to take a grip of the Philippines, a whiff of impending instability hangs over Malaysia, while in Singa pore Lee Kuan Yew is reluctant to accept that journalists, diplomats and businessmer operate best in a free as well as an ordered society.

Bangkok's importance for regional evesdroppers began ofter Saigon fell to the North Vietnamese and Phnom Penh to the Khmer Rouge in 1975. At the time, the world's press were as much refugees as the boat people who later drifted up on the region's shores and they needed a base where they could hone their aphorisms. Over 150 journalists from 53 international news organisa-tions are now based there.

They were quickly followed by expanding embassies -Bangkok now has some of the largest missions in Asia. replete with cloak and dagger merchants peering into neighbouring communist Indochina, and international agencies. These include the UN, the OECD, the FAO, the World Bank and the EC. More recently, as Thailand's economy has boomed, scores of international businesses have established their regional head-

quarters in the city. This growing service indusbry was drawn to the Thai capital not, it should be said, pri-

OBSERVER

marily by its salacious bump and grind industry. They came largely because, despite its image as a general's play-ground, Thailand's influential monarchy, calming buddhist tradition and a pervasive youscratch-my-back pragmatism have combined to create (for all its often glaring inequali-ties) a remarkably stable business environment.

Kerridge satisfied

■ For John Kerridge, the chair man and chief executive of Fisons, yesterday's \$460m purchase of the pharmaceuticals division of Pennwalt must have been a moment of some satisfaction. He recalled his early days in charge of the group, when its market value was less than £50m.

Then other people were offering to relieve us of our pharmaceuticals business," he recalled. Instead, Kerridge decided to sell off the group's fertiliser business, which he had been in charge of when he joined the company's board

The move, which surprised many at the time, paid off. Ker ridge decided to concentrate on pharmaceuticals and, thanks to drugs like Intal Fisons is now worth around £1.2bn. The Pennwalt acquisition will mean that around three quarters of the group's profits will come from the pharmaceuticals division.

Kerridge is now an estabfished favourite in the City of London, apart from a brief contretemps last year when institutional opposition forced him to withdraw an £110m overseas equity issue.

The institutions will now have a chance to make amends Kerridge is asking them to stump up £165m to pay for the Pennwalt deal.



"No stupid – that's not one of Bush's grandchildren, that's his running mate."

Ronnie quits

■ General Zia's death in Pakistan serves to underline how threadbare the line between stability and uncertainty can be on the subcontinent. It was, after all, only four years ago that India's Indira Gandhi was assassinated by Sikh extremists and her son's early successes, especially in Punjah, are looking distinctly frayed.

Things are not much better at the other end of the Indian Ocean. Ronnie de Mel, the man who kept Sri Lanka afloat while its leaders cheerfully tried to scuttle it, has finally thrown in the towel

He called me this week to say that, having resigned earlier in the year as the country's finance minister, he was now quitting the ruling party in a last effort to force a solution

to the country's ethnic conflict. De Mel says that Sri Lanka now resembles an armed camp and is close to collapse. "There is no democracy, no freedom

of speech in parliament, no hope for the future." Above all, de Mel, who spent the past few years using his consider-able eloquence to persuade Sri Lanka's foreign aid donors that his masters were working for a political solution, sees little hope of a resolution to the war between Tamils and Sinhalese and, more recently, between the Government and Marxist insurgents. De Mel is now in no man's land. He will probably be

stripped of his constituency in parliament and may find it harder than he thinks to be offered a front seat on the opposition bandwagon. He will reject tempting offers, which will almost certainly come his way, from friends in the international financial world, to work abroad. He hopes to become a rallying point for an anti-government coalition and, when the time comes, play a role in rebuilding the country. I fear he may have to wait a long time.

Teenage blues

■ Some friendly advice for readers of the FT outside, or for that matter inside, the UK this week who have friends with 18-year-old children. If their friends are moody, depressed or paranoid, or all three which is more than likely, it's not because they've lost their Filofax. It is because their children are passing, or not as the case may be, that educational Rubi-

con, the A-level exam. For the benefit of our non-British readers, A-levels are a kind of sudden death play-off

between some 400,000 schoolchildren, most of whom hope to go on to university. If your child fails or does badly, that's it, at least for the

coming year, unless you are in the fortunate position of being able to donate a Canaletto to the university of your

Alain Cass

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David Churchill reports on reaction in the travel industry to Thomson's swoop on Horizon

wo weeks ago, when most Britons were still dreaming of getting away, delays per-mitting, for their summer holiday, Horizon Holidays took the unusual step of launching its holiday brochure for *next* summer.

The move surprised a travel trade still desperate to sell holidays for this August, let alone next year. Many in the industry felt it smelt of panic. Horizon simply believed it could not be left behind in the early rush for 1989 summer holidays.

Yesterday those fears were con-

firmed when Horizon — the third largest tour company — was sold to the Thomson Travel Group in a deal worth £75m. Thomson, which was already the market leader in the UK's. overseas package tour business, thus becomes far and away the dominant holiday travel company in the world.

Thomson's move has put the seal on a year which most package tour operators would rather forget. Buffeted by criticisms from all sides about their standards of service, as well as facing irate passengers delayed at UK airports, the tour oper-ators seemed never to have had it so bad. Although British consumers have been enjoying an unprecedented consumer boom this summer, they have not been spending their disposable income on package holidays. Demand for foreign package holidays is running at least 5 per cent down in volume terms this summer.

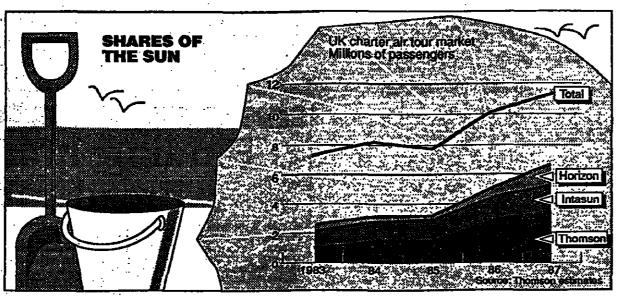
For Bass, Britain's biggest brewer, the move is also an admission that its diversification drive into the leisure industries is in tatters. It was only in April last year that it acquired Horizon for some £92m and talked of long-term strategic diversification.

Bass decided that, at the end of the day, it did not have the will or resources to continue competing with Thomson and Intasun, part of the International leisure Group, for a share of such a low-margin and fickle market. It was a decision that another major leisure operator, the Rank Organisation, took in August 1987, when it sold its Wings tour operation to Bass for £10m (Wings is included in

the sale to Thomson). The origins of yesterday's moves can be traced back to Sorrento in late autumn, 1985. It was there, at the leading trade conference for the travel industry, that Thomson sparked off a fierce price war with price cuts of up to 20 per cent across the board.

Rapidly growing demand for package holidays in the early 1980s — as a result of rising living standards and the introduction of more efficient charter planes - had come to an abrupt halt in summer 1965 when the volume of demand dropped by 6 per cent. The travel trade, both in the UK and the Mediterranean, had become complacent about its customers pushing up prices rather more than Britons were prepared to pay.

Thomson's move at Sorrento, how-ever, sparked off a fierce reaction from Mr Harry Goodman, the ebul-lient chairman of ILG, and the price war started in earnest. By last sum-



War of attrition in a shrinking market

mer, competition for market share between the majors - Thomson, Inta-sun, and Horizon - saw two-week Mediterranean packages being sold

for as little as £49.

The effects of two summers of price fighting began to be felt. British Airways's package holiday companies, Sovereign and Enterprise, had lost an estimated £5m last summer and were merged with Sunmed, a specialist Mediterranean tour company, to form Redwing Holidays. Horizon lost £6.8m last year, while Thomson's tour oper-ating profit of £3.2m was down from £16.7m in 1986.

Figures from the Civil Aviation Authority, which licenses charter tour operators, show that the 30 largest tour operators between them clocked up an aggregate deficit of nearly £25m last year.

BASS'S ownership of Horizon Holidays has contributed to the

recent under performance of the

Bass's diversification strategy, yesterday's aunouncement helped

improve City sentiment, with Bass's

share price rising from 775p to 790p.

But the sale raises questions about how Bass will develop its activities, which include Holiday Inns, Crest

Horizon, along with the £250m pur-chase of the international assets of

the Holiday Corporation, represented a new level of diversification for Bass

from its core drinks and licensed

The acquisitions were part of the

Hotels and Coral Racing.

estate business.

Rather than provoke criticism of

brewer's shares.

that intasun made its most effective counter-move, initiating a surprise early launch of its summer 1988 brochure at prices which Thomson, which launched a few days later, could not match. It led to Intasun's capturing most of the early season bookings and Thomson being forced to chop some £18m off its prices a few

Thomson never really recovered from this disastrous start to the current holiday season and its fight back against Intasun was hampered by the sluggish growth in demand, although some 11m Britons will still buy a

package holiday this year.
Thomson's decision to go for Horizon partly reflects the culture of the company. "There is a degree of pride involved and there is no doubt that

long-term aim to increase the per-

centage of the group's profits coming

from non-brewing sources. In the six months to April 9, the group's leisure

interests, including Horizon, Crest

£158.9m, an 18.8 per cent increase.

Development of the leisure division is an important objective, with Holi-

day Inns likely to prove a wise buy.

Mr Ian Prosser, the new chairman of Bass, said: "We believe those areas

which we are in already do offer real opportunities." Beer, hotels, restau-rants, bingo and betting were the

in his analysis of where the group's

under pressure this year from Inta-sun," says Michael East, a travel industry consultant with the East-

castle group.
Thomson Travel, part of the Canadian-based International Thomson group, has made no secret of its deter-mination to maintain its market share this year. Paul Brett, Thomson's managing director, says: "We believe that the way to make money out of tour operating is to achieve a high volume of sales which enables us to achieve economies of scale and spread our

Thomson believes that its sophisticated computer booking and control systems can achieve with Horizon what Bass - which was also going for a high-volume, low-margin strategy failed to achieve. "I am sure that Hori-

future growth will come from, he must take into account the imminent report from the Monopolies and Mergers Commission on the British brewing industry. Hotels and Coral Racing, contributed £15.8m to trading profits compared with £15.4m the previous year. Brew-ing and retailing contributed

The report from the MMC, due in February, has been one of the reasons for the depression in Bass's share price. Analysts have argued that Bass, with the largest estate of puls, could be in a difficult position should the MMC call for a freeing of the tie the system by which most brewers sell their own beer in their own pubs. However, if the tie is abolished, or weakened, Bass's brands, including Carling Black label lager, are likely

to increase their market share.

zon will find Thomson, which clearly understands tour operating, a happier home than a brewer that doesn't," says Richard Gapper, managing director of Pickfords Travel, a leading

travel agency.

Bass's problems with Horizon had been obvious to the travel trade for some months. But it was reports that Harry Goodman's International Lei-sure Group was poised to buy the company that sparked off Thomson's bid approach. "Given the rivalry between Thomson and ILG, there was no way that Thomson could take a back seat and let Goodman get Hori-

zon," says East.
ILG is understood to have balked at the price Bass was asking for Horizon and had apparently decided on a strategy of waiting for Horizon's losses to mount before persuading Bass to sell at a cheaper price. Goodman may also have calculated that Thomson could not buy Horizon without an almost automatic referral to the Monopolies and Mergers Commission.

Thomson, not surprisingly, was yesterday maintaining that it was unlikely to face the commission. "There is no case for a referral," says Brett. But Thomson is in the rather embarrassing position of having to explain away its own figures pub-lished earlier this year (see chart), which which suggest that a combined Thomson/Horizon operation would have almost 40 per cent of the market.

Yesterday it produced new figures which suggested that the combined market share for package holidays would be just under 23 per cent, if the whole overseas holiday market was taken into account including independent travel. ILG, on the other hand, has produced figures showing that by the end of last year, the top three operators had some 65 per cent of the package market between them, com-

pared with only 36 per cent in 1984. It will be up to Sir Gordon Borrie, director general of fair trading, to decide which figures more accurately reflect the market. Whatever he the real question will be how Harry Goodman, who is understood to be unhappy about Thomson's swoop, decides to react.

One rival tour operator likens the current situation to the Iraq-Iran ceasefire. "Both Thomson and ILG mow that they can't afford to go on fighting on price alone because of the impact on profit margins," he said.
"But Harry Goodman may try to launch a final price cutting offensive to increase Intasun's market share before letting the market finally settle

Sir Gordon may decide that it would be in the consumers' best term interests if the growing concentration in the sale of sunshine was to be investigated by the commission. Meanwhile, the many thousands of Spanish-bound holidaymakers who face hours of delay this weekend may be wondering what all the fuss is about as they camp at Gatwick. Next year, they will probably stay at home leaving both Thomson and ILG with problems of another kind.

LOMBARD

Outworn labels of socialism

By Margaret van Hattem

JUST AS the terms "left wing" and "right wing" have lost and "right wing" have lost much of their meaning in contemporary politics, so have the labels "conservative," "radical," "reformist," and "liberal" become – like "progressive" – little more than signals of approval or disapproval,

depending on the audience. In the present Soviet political debate, which finds echoes not only in the socialist states of eastern Europe but also in many of the socialist parties of the west, these labels have acquired specific, limited meanings which may not outlive the problems (mainly economic) which shape the debate.

Mr Yegor Ligachev, second in the Soviet political hierarchy, has added a new shade of meaning to the label "conservative." His recent address to party activists in Gorky attacked new developments in Soviet foreign policy for ignor-ing "the class character of international relations."

Some may be tempted to dismiss Mr Ligachev as a dear old-fashioned fellow. But in that phrase he put his finger on the most vulnerable area of contemporary Marxist and socialist thinking its failure to take into account the profound effects of the second industrial revolution on class identity and political allegiance.

Nowhere is this more evident than in Britain, where the Labour Party still flounders to find a new raison d'être now that the urban workforce, even the body of unemployed, no longer looks to Labour for political representation; and where the centre parties still cast around desperately for a social constituency big enough to guarantee them more than a handful of seats in Parliament. Class divisions have not dis-

appeared, but they have shifted and become blurred at the edges. Political allegiance can no longer be confidently deduced from occupation, dis-posable income, education and living standards.

This is as true of international relations as of domestic politics. But to see relations between industrialised and developing countries as - in essence - the same as rela-

lower classes was always a dis-tortion.

The charity handouts distributed by the Soviet Union (along with military support and lessons in ideology) to the deserving poor of the Third World have mostly been little more effective in winning friends and influencing people than such transparently self-serving exercises usually are. Soviet. adventures in are. Soviet adventures in Egypt, in Afghanistan, in Angola, in the Horn of Africa and the Gulf have hardly proved cost effective.

But the differences between those who see Soviet foreign policy mainly as a mission to export the revolution and a duty to support "liberation movements," and those more committed to promoting the interests of the Soviet state world wide, have existed ever since the ideological battles between Lenin and Trotsky.

The advent of Mr Mikhail Gorbachev has put promotion of the interests of the Soviet state at home and abroad ahead of more evangelical con-cerns in policy formulation. The danger now is that disillu-sioned socialists of east and west will be disposed to throw out the baby with the bathwa-ter. And there is a baby in there, even if it is — so to speak – only a little one. Socialist governments, how-ever ineffective their economic policies, have at least been able to suppress some of the worst excesses and injustices of capi-

But socialism as practised in Eastern Europe, Asia, Africa and Latin America has failed to generate enough wealth to make more equitable distribution a relevant selling point; or to justify the upheaval and suffering apparently needed to establish socialist systems, or to match, let alone outstrip the wealth created by capitalism as practised in the west. This has undermined socialist proselytisers and greatly complicated their task.

Mr Tony Benn and Mr Yegor Ligachev are in the same boat. Unless they come up with some fresh ideas and jettison some outmoded perceptions, they may not be able to keep it tions between the upper and afloat much longer.

Data made more reliable

From Mr A.D. McKay and Mr think that wages and salaries are too low (which could mean Sir, If nothing else, the that output is higher than it is Sir, If nothing else, the recent debate on the quality of UK economic statistics (Letters, August 11) highlights the pitfalls of only looking at one part of the UK national one part of the UK national

If, as Stephen Bell claims-(August 8), personal sector income is understated, which component of income is he thinking about? Are dividends too low (because the company sector seems to have an error of much the same size in the opposite direction)? Or does he

thought to be)?

estimated national expenditure (which Mr Bell seems to accept), and worsens an existing measurement error between the two. The only thing to hope for is that exports are under-recorded; but this on its own does not correct

The truth is that a piecemeal

study of economic statistics is always likely to lead to problems of this type. In 1942 the creators of the UK national accounts (no doubt aware of The usual scapegoat is the black economy. But this makes national output further exceed the space in your columns which might otherwise be taken up by the issue) devised a method for allocating residual discrepancies in a manner which actually increases the

> If, as we believe, the residuals are to be allocated, this is the most appropriate technique to use. It normally leads to a compromise estimate somewhere between the two

reliability of the data.

starting points. We should therefore accept that saving has fallen The most obvious explana-

tion for the fall in the savings ratio is the high value of capi-tal gains which people have made on their houses and are now spending. This expendi-ture out of wealth is not a mystery; it is predicted by standard models of household behav-

Andrew McKay, Martin Weale,
Faculty of Economics and Politics, University of Cambridge.

Balance of defence

From Professor R.R. Neild. (Letters, August 10) that in conventional warfare, defence against an attack by mobile forces requires mobile forces like the attacker's.

He concludes that it is a mis-take for Mr Carlucci to discuss with the Russians the problem of defining and removing offensive conventional weapons. It would be more sensible, he says, to consider restricting logistics, so as to limit how far advance before running out of

supplies.

Mr Leman's conclusion is a non-sequitur. If mobile forces are needed for defence against an attack by mobile forces, it follows that it would be a nottake for one side alone to get rid of mobile forces. But it does not follow that it would be a mistake for both sides to get rid of mobile forces.

On the contrary: if both sides removed mobile forces with a strong capacity for the offensive, and forces of lesser mobility, strong in defence, were kept, what Mr Leman seeks by limiting logistics would be achieved more effectively: on both sides the capacity to attack would be directly diminished relative to the

capacity to defend.
Under the new Soviet leadership the Russians and their allies, who together have large mobile armoured forces, have proposed talks with Nato on how to go defensive. The most promising approach might be to identify a few major weapons systems - for example, tanks - the removal of which from both sides would knock away the ability of either side

In the early 1930s Sir Basil Liddell Hart, the father of mobile warfare, proposed this way of increasing security and reducing arms. Mr Leon Brittan argued recently that the West should respond positively to the Soviet initiative, and suggested a "no tanks" proposal as a first move. R.R. Neild,

Water warning

From Mr John Hills. Sir, The British Effluent and Water Association (BEWA) represents the interests of British process contractors and suppliers of water and effluent treatment plant and equip-ment. Despite adverse public-ity about UK water quality (mainly brought about by PSBR - public service borrowing requirement - restrictions), members have been able to use UK installations as a reference and example to their

But members and, I suspect, water consumers will require some reassurance about fair play, given the prospect of a French water utility taking a stake in a UK water undertak-ing and, at the same time, benefiting from multi-million pound contracts for the supply of water treatment plant within that undertaking (FT

report, August 9). Water undertakings must ensure that tender adjudica-tion is open and fair, and that all tenderers for a project face similar contract conditions.

Openness must also extend to the commercial activities of water undertakings, to show that customers are not subsi-dising unprofitable adventures. BEWA has for some time warned about a drop in capital expenditure immediately fol-

lowing privatisation. Mr A. Badger (Letters, July 29) expresses the fear of an inbuilt, long term incentive to under-invest. Privatisation is said to be for the benefit of the consumer.

With costs set to double within a few years (trade effluent charges are up 33 per cent above inflation since 1985), one assumes that the new director general of water services will be under pressure to keep the lid on price rises. With a choice between capital expenditure and dividends, in the short term the investor may be the one to gain, John S. Hills. British Effluent and Water

5 Castle Street. High Wycombe, Buckingham-

All rules in relation to Chinese walls were observed

Wolman's article (August 17), which could be read as sog-gesting that we behaved improperly in connection with the Thomas Robinson takeover

in all cases, underwriting decisions for investment management clients are made by Robert Fleming Asset Manage-

From Mr W.L. Banks.

Sir, We were surprised to Robert Fleming & Co Lid acts find our name included in Mr in a principal position on an Wolman's article (August 17), underwriting, all discretionary. investment management clients are specifically given the

opportunity to decline under-writing participation.

This procedure was strictly followed in the case of the Thomas Robinson bid for John Crowther and the underwriting participation which was

offered by the brokers was at a such decisions normal level in relation to cli.

All of our ru

ent holdings in Robinson. All decisions on the acceptance of bids are taken by the Asset Management Company, this being required by the Takeover Panel which has granted Robert Heming Asset Management "exempt manager" status. Directors involved on the corporate All of our rules in relation to

"Chinese walls" were observed. To imply that there was something improper in the way in which we discharged our duties to our clients is wholly misleading and misplaced. W.L. Banks, Deputy Chairman Robert Fleming & Company

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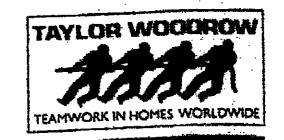
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FINANCIAL TIMES

Friday August 19 1988



EC seeks warmer relations with Moscow

David Buchan on plans for a trade deal and political dialogue with the Kremlin

HE European Commu-nity is about to embark on the most delicate stage yet of its Ostpolitik: negotiation of a full-blown trade and economic co-opera-tion agreement with the Soviet Union and increased political

dialogue with the Kremlin.
If the EC plays its hand well, it may have within a year a mutually beneficial agreement that assists Western businessmen in Moscow and helps inte-grate the Soviet Union into the world economy – and a politi-cal relationship that bolsters Mr Mikhail Gorbachev's neodétente with the West. Miscalculation, however, could give Moscow one-sided economic advantages and bring serious rows among the Community's 12 members and between Brus-

Next month the Community will go into action on two fronts. European Commission officials will sound out Moscov on exactly what areas it wants covered in an agreement with Brussels; they will then return to the EC Council of Ministers for a precise negotiating mandate. Mr Karolas Papoulias, the Foreign Minister of Greece, which holds the EC presidency for the second half of this year, will hold talks at the UN with Mr Eduard Shevardnadze, his Soviet counterpart, on regional political and disarmament

It is not the first time that Western Europe in the form of the Community, and through its rotating Council presidency, has had political talks with the Soviets, outside the Nato framework. Belgium represented the EC in this way in discussions with Moscow last

But Mr Andreas Papandreou's Socialist Government is considered far less trustworthy an ally, particularly by the US which was recently thrown into a mild panic by a rumour that Mr Papoulias wanted to raise with Mr Shevardnadze the issue of tactical nuclear weapons, hardly an area of Community competence.

In fact, the more stolid EC members of Nato such as the UK and West Germany expect that Mr Papoulias will have lit-

By John Lloyd in Moscow

MR LEONID Grigoriev, radical

Soviet economist, has called for the Soviet Union to become

a nation of shareholders, with

more freedom to buy and sell



commercial aspects of an EC-

Soviet agreement, concerning tariffs and quotas, will be uncontroversial and of rela-

tively little interest to the Sovi-

cts themselves. In contrast to Eastern Europe, most Soviet exports to the West are raw

materials, such as oil and gas, which enter the Community

The level of EC-Soviet trade is determined not by EC restrictions but by world oil

and commodity prices. These have fallen since 1984 and so

have Soviet exports to the EC,

from Ecu23bn (\$26bn) in 1984 to

Ecul3bn last year, and imports from the EC (down 25 per cent to Ecu9bn last year).

an accord with Brussels to pro-

mote exchanges of know-how and information as much as of

goods. Mr Ivan Ivanov, deputy

Wider Soviet share ownership urged

The Soviets are interested in

without restriction.

As part of the European Community's efforts to negotiate a full-blown trade and economic agreement with the Soviet Union, Mr Karolas Papoulias, the Greek Foreign Minister, left, is sheduled to hold talks at the UN with Mr Eduard Shevard-nadze, his Soviet counterpart, right, on regional political and disarmament

Greece holds the presidnecy of the EC for the second half of this year. Belgium represented the EC in similiar talks last year.



mean problems for the Com-

munity. Transfer of militarily

sensitive technology to Com-munist countries is governed by rules agreed by 11 of the 12

EC member states – in con-junction with the US, other Nato allies, and Japan – in the

ing beyond the confines of a chairman of the Soviet foreign tightly written statement by economic commission, was in the Twelve. The Greeks may, in the end, be lucky if during Brussels this year to convey the Kremlin's message that it their EC presidency they get wants a co-operation agree-Mr Shevardnadze to lunch with ment matching every area of Commission competence. EC ambassadors in Moscow, a collective invitation which the Everything we do, they now Soviet diplomatic chief has so far not found time to accept. Economic negotiations with Moscow will, however, have want us to do it with them," is how one Commission official summed it up. more substance - perhaps too much, the US fears. The purely

At this stage, the Commission is not excluding any areas, but simply saying that an agreement must be "based on reciprocity and mutual advantage". It sees positive advantage in co-operating with the Soviets on nuclear energy (it already co-operates on nuclear fusion in a programme linking the Soviet Union, the US, Japan and the EC), on fish (where Danes and Germans would like to fish in Soviet Baltic waters), on shipping (where EC shipowners would like to stop Soviet boats undercutting their rates) and on environ-ment (where EC officials feel Moscow should be held to the terms of various international conventions it has signed). In general, it would also like bet-ter conditions for Western business operating in the

But other things, particu-

larly sharing technology that could have a military use,

Paris-based Co-ordinating Committee (CoCom); Ireland, the EC's neutral member, informally follows CoCom guide-Significantly, the recent EC-Hungarian agreement, which Mr Willy De Clerco, the EC external affairs commissioner. described as going beyond what any other Comecon coun-

try could expect, provides for co-operation between Brussels and Budapest on science but not technology. The usefulness (to the EC) of this distinction is all the greater with the Soviet Union, which is strong, indeed superior to the West, in many basic sciences but frequently lacks the knowhow or technol ogy to turn those scientific principles into useful or quality products. Most member states have

national science and technology agreements with Moscow. Why, then, are some, such as the UK and France, wary of

itself likely to enter the Cocom fray because of its ambition to rid the Community of its internal frontiers by 1992. How, then, can CoCom-agreed con-trols continue to be administered nationally? The logic of the Commission's stance is likely to lead it to propose, perhaps as early as this autumn. Community enforcement of export controls – something likely to displease the US, but makely to displease the US, but

probably not the Soviet Union. The first reaction of some EC states to Moscow's overture for an all-embracing agreement was to argue that the Soviet Union, as a relative latecomer to doing business with Brus-sels, should not be allowed to jump ahead of some of its smaller East European brethshould be done at this critical juncture in the Bastern super-

Some countries believe an agreement could cement Mr Gorbachev's hold on power. Others, most forcibly the UK, argue that the Community should pursue its own interest, because Mr Gorbachev will stand or fall regardless of what it does. The outcome of this debate will colour the terms the EC offers Moscow.

"There is a fear that the Commission will go for the highest common factor rather than the lowest common denominator in this," says one diplomat. Some Western intelligence services might also recall that in the past Moscow has used organizations not has used organisations not totally different from Mr Iva-nov's commission for illegal as

well as legal acquisition of western technology.

There are a couple of further factors. One is that more high-technology research and development is now being carried out at Community level, managed by the Commission in such programmes as Exprit (for such programmes as Esprit (for information technology, or FT), as many national R & D efforts (Britain's, for example) have been cut. But IT is increasingly for dual use (civilian and mili tary) and thus of interest to

CoCom export controllers. Second, the Commission is

ren. All now accept that a deal power's history. But there is still debate over how an EC agreement will play in Red

Quayle row threatens the Bush campaign

By Stewart Fleming and Lionel Barber in New Orleans

MR GEORGE BUSH, US Vice-President and the Repub-lican candidate in November's presidential election, faced growing controversy yesterday over accusations that his new running mate, Senator Dan Quayle of Indiana, was a Vietnam draft-dodger.

The Bush campaign said it had been examining allega-tions that Mr Quayle, 41, used wealthy family contacts to join the National Guard in 1969 rather than submit to the mili tary draft and possibly be sent

to fight in Vietnam.

The controversy threatened to overshadow Mr Bush's speech accepting the Republican presidential nomination. The speech was due to be delivered last night at the party's convention in New Orleans. Party strategists had described the speech as a

chance for Mr Bush to step out of the Reagan shadow. However, the Bush camp has been distracted by questions about Mr Quayle, a strong sup-porter of defence spending and a self-described expert on

national security, and his decision to enlist in the National Guard, a home-based reserve There was speculation among convention delegates that consideration was being given to dumping Senator Quayle from the Bush ticket. Seeking to brush aside the con-troversy, however, Mr Bush

gave a ringing endorsement of Senator Quayle.
"I don't think I could have selected anybody that will do more to help the election than Dan Quayle of Indiana," Mr Bush said.

Mr Bush's comments came even though earlier a retired Indiana National Guard major-

the Quayle controversy. Yawns in an American dream, Page 3

Finding holes in the bread market

As the Goodman Fielder bid for RHM was unpopular in Par-liament, in the City, in industry and even among RHM's more responsible institutional shareholders, it is odd that the market was so surprised to see it referred to the Monopolies Commission, Perhaps investors reasoned that as neither Elders nor Suchard were prevented from making what were arguably even more higly leveraged bids, there would be slim grounds for stopping Good-

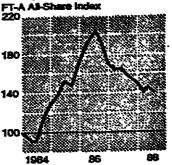
The official explanation for the referral - that the financial strains on the company could reduce competition in the bread market - seems more than an excuse for a decision that was actually made on political grounds. The bread market is close to a duopoly, and so the consequences of a change in ownership of one of the companies seems a perfectly legitimate concern. How-ever, even if it can be shown that the financing of the bid is too tight, proving the point about competition is not going to be easy. Assuming Ranks was weakened by its new owners, it is just as likely that independent bread makers moved grin as that Mr. Garry would gain as that Mr Garry Weston would take up the

The market is evidently not prepared to guess which way it will go, and at 403p, the shares are balanced between the bid price and the price that the 29.9 per cent Goodman stake could fetch if sold in a hurry. Even though the present multi-ple of 12 might suggest an abundance of takers, the silence so far is a little omi-

Fisons

Anyone who pays over the odds for a pedestrian drugs business and still expects to increase earnings in the first year is either a dreamer or a very good operator. And despite yesterday's breath-tak-ing 35 times exit multiple for Pennwalt's pharmaceuticals division, there seems every reason to believe that Fisons' John Kerridge is less the for-mer than the latter. Good drugs companies may be impossible to buy, and bad ones may go for a lot; but scarcity value alone cannot explain why Fisons was prepared to pay \$460m for a company with 260 salesmen, some of whom it intends to sack. Not even Ster-ling Drug, which fell to Kodak earlier this year for a con-\$5.1bn, commanded such a high exit multiple.
The difference, however, is

Share price relative to the FT-A Al-Share Index



that Kodak predicted four years earnings dilution from the deal while Fisons expects none from the outset. The company believes rationalisation measures can trim costs by \$25m almost immediately — \$25m almost immediately -nearly twice the profits which the business should make this year. And because of a neat trick of the financing, those profits should be tax-free for a year or two: the IRS may not think much of its technique, but Fisons intends effectively to transfer the benefits of unre-lieved ACT in the UK to its new US operations by offsetting interest paid in America against interest earned at home. In that light, a deal which is undoubtedly sound on strategic grounds begins to look a shrewd financial move as well; and even a 1:6 rights issue should do little to deter investors, given the potential for marketing Fisons' asthma drugs in the US and developing Pennwalt's over-the-counter operations. With Fisons' earnings already growing faster than any of its competitors

except Wellcome, a prospective pie of 13 looks like no more than is deserved. Brand names

The cynical view of Grand-Met's decision to add £500m to its assets by putting a value on its acquired brand names is that a really big acquisition must be in prospect. Even if that were true, it is irrelevant. Post Rowntree, everybody agrees that present accounting for brands - to pretend they do not exist - is unsatisfactory, and GrandMet's amendment solves at least part of the problem. The ability to buy a company with valuable brands without suffering a debilitating goodwill write-off is surely an advance that other acquisitive companies will follow.

Whether such a move will change anyone's behaviour in the real world is more ques-tionable. Investors are not so

unsophisticated that they will pay extra for a cumpany that adopts the GrandMet approach. Neither are banks likely to lend more on the basis of apparently improved balance sheet ratios, if the relevant cash flows are not up to scratch. Perhaps at the margin. companies might be more prepared to make acquisitions, although judging from the number of bids recently, the problem of goodwill does not seem to be holding anyone back. NHC.

Even though the new treat-ment makes the balance sheet better reflect the value of a company, its logic is inferior to the usual arrangement as it makes a bogus distinction makes a bogus distriction between purchased and home-grown brands. Arguably, the move goes as far as existing standards will allow; the move radical step of valuing all brands alike will require a return to the drawing board. Even if the profession is willing, the usual wait of several years can be expected.

British Telecom

There may come a day when BT feels it has to impress its shareholders, but for the moment they rank well down its priority list. A 7.4 per cent rise in first quarter pre-tax profits, to £610m, is a pre-try pedestrian performance for a group which is experiencing double digit volume growth; and whilst the price freeze is partly to blame, this only cov-ers half of BT's £10bn annual revenues. Clearly, service quality has to be improved, but this is imposing a considerable short-term cost with BT taking on twice as many staff in the first quarter as it did in all of last year. Fortunately, the surprisingly

robust market growth is cush-ioning the impact of the extra costs. But there is still plenty of corporate fat which could be shed, and as long as the new management team shies away from this painful task. BT shares will continue to trade at an embarrassing discount to the market. Last month's agreement with OFTEL on the new pricing arrangements has removed one major cloud overhanging the share price. How-ever, the continuing worry that the Government may one stake, and uncertainties about the amount of BT's more lucra-tive business which will be taken by Mercury, explain why the market puts far more trust in BT's defensive qualities than in its promise as a growth company.

shares and invest in enter-prises. Shareholdings, he says, should be used to give consumers a voice in industry. At present, shares in co-oper-

atives or enterprises can be bought only by the individuals

who work in them - although co-op shares may also be bought by other co-ops. A tiny market has begun but

it is hampered by lack of knowledge on every side, by the absence of a tax structure and company law geared to deal with shares. All this is com-pounded, of course, by the lack of a stock exchange. Mr Grigoriev, writing in

Among other theories being put forward for the explosion was that the aircraft had been

destroyed by the KGB, the

Soviet secret service, or Khad, the Afghan intelligence unit.

per correspondents reported

late the Geneva Accords.

Moscow News, the Communist Party's liberal weekly newspa-per, would like to see this changed.

He mocks the view of a new rentier class emerging and lounging unproductively while their shares do the earning. On the basis of a 6 per cent annual return – the average offered by co-ops – a regular family

roubles to achieve the modest income of 400 roubles a month, he points out. However, the modest

amounts of surplus cash which Soviet citizens do have should. he says, be invested in shares especially in large enter-prises, which have difficulties securing adequate capital from the state.

would have to invest 180,000

Speculation grows of Zia assassination Continued from Page 1

Ghulam Ishaq Khan, who took over as President, is a dry, intellectual figure, who served for many years as defence secretary to President

Both men are unlikely to be able to resist opposition pres-sure to hold party-based elec-tions which were promised by the new President when he

spoke to the nation

Although troops were deployed in key positions in the capital and elsewhere, they have deliberately kept a low profile, leaving civilian police to patrol the streets. to patrol the streets.

The belief that President Zia could have been killed by disaf-

fected members of the military is given support by signs of recent discontent within the armed forces. Within the Afghan resis-

tance movements, the funda-mentalists believed that in the death of President Zia they had lost one of their most ardent supporters. But the moderates thought it would be easier to achieve a compromise. "A solution to the Afghan crisis is now suddenly in sight," said a spokesman for the Afghan National Liberation Front.

UK refers RHM bid to mergers agency

price of 465p a share - slumped to 403p. Trading was heavy, and this was mirrored on the traded option market where a new "restricted life" option on RHM was recently introduced.

The Soviets have repeatedly warned Pakistan of the consequences of continuing to vio-Conflicting accounts were given of the way the aircraft exploded. Some local newspa-

eye-witnesses as seeing a mis-sile fired at the aircraft. An official inquiry has been launched into the disaster. The American community was saddened by the death of a respected ambassador, who had also been close to President Zia. Our Foreign Staff adds: The Soviet Government yesterday reacted in low key to President

strong".

The bid by Goodman, another food group with extensive interests in both Australia Zia's death, expressing its for-mal regret but also reminding the Pakistani authorities they expected full observance of the Geneva agreement on Afghan-istan. Moscow accused the late president of violating the accord by continuing to pro-vide assistance to the Afghan

Continued from Page 1

The immediate official reac-tion from RHM, where brand names include Hovis and Mothers Pride, Mr Kipling cakes and Robertson's jams was a

restrained welcome. Privately, however, directors said that they were delighted.

"This makes it much more difficult for them," commented Mr Bob Rogerson, finance director "cord offers, no the director, "and offers us the chance to make a really good presentation to the MMC. We believe our case is quite

and New Zealand, will automatically lapse because of the referral. Yesterday, Goodman said it was reviewing its position — in particular, whether to proceed with the Commission sion inquiry - and would

make a further statement "in Mr Duncan McDonald, managing director, said the company was "surprised and disap-pointed", and still believed that the structure of the financing arrangements was "sound

and conservatively based. "Our intention has always been that RHM will not only remain competitive in all its markets but improve its position, particularly on an inter-national basis."

appear to centre on concern that if RHM were part of a group which was financially stretched, its ability to compete in the bread market, where it is one of two major players, could be impaired. Stockbrokers Henderson Crosthwaite estimate that, of the total £2bn bread market (excluding morning goods). Associated British Foods takes about 35 per cent, and RHM, just under 30 per cent. The market is highly com-

Grounds for the reference

Politburo says harvest is at risk from indifference

summoned Communist Party leaders from agricultural regions to Moscow and ordered them to mobilise all available forces to ensure a good harvest, Reuter reports from

According to the official Tass news agency, the Politburo said that indifference and irresponsibility were threaten-ing the 1988 crop in numerous regions and warned that the Soviet people might not be guaranteed enough food.

It adopted a resolution

demanding the "unconditional fulfilment" of state orders for grain, meat, milk, potatoes and other products, and ordering "full mobilisation of all avail-able forces and resources" to accelerate the harvest. The Politburo report did not

single out any areas where the harvest was going poorly. Soviet officials have said they expect the 1988 grain crop to be generally good, and in mid-August harvesting rates were ahead of those achieved

at the same period last year.

general, Mr Wendell Phillippi who was formerly managing editor of the Indianapolis News, a newspaper owned by Senator Quayle's grandfather, said he had contacted a "multitude" of friends in the National Guard on Mr Quayle's behalf. Instead of celebrating Mr Bush's official nomination as the party's presidential nominee, the Vice-President's campaign staff met until 3 am yesterday in an effort to deal with



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WORLD WEATHER



FINANCIAL TIMES MPANIES & MARKETS

Friday August 19 1988



INSIDE

Ranks Hovis raises fresh questions

The surprise reference to the Monopolies Commission of the highly leveraged bid for Ranks Hovis McDougall from Goodman Fielder Wattie raises fresh questions about the British Government's competition policy. Nikki Tait looks reasons at the move and its implications for Goodman Fielder, the unwelcome Australasian

Uplifting time for Ekofisk

Faced with a sinking seabed and falling pro-duction on its Ekofisk field in the North Sea, Phillips Petroleum has devised elaborate plans for a nitrogren gas injection programme that could enhance output into the 1990s. But Phillips also confronts the dilemma of whether it should pump more oil and gas into a market that might be oversupplied. Page 32

Royal keeps eyes on Europe



A Policion

Royal insurance, the large British composite market to buy a substantial European insurer, despite the failure of its recent merger talks with Groupe Victoire of France. But yesterday Royal reported a 3 per cent drop in interim taxable profits, mainly because of US problems. Chief executive

Alan Horsford (above) maintains Royal's long-term goal has been growth in Europe.

Earnings jump at Bayer -

Strong growth in Europe and Latin America helped push pre-tax profits of Bayer up 20 per cent to DM1.86bn (\$978m). The result continues the trend of the overseas earnings growth of the West German chemicals industry which has also been underplaned by firm domestic demand in the last year. Page 19

Pertamina tries a civil approach



The vicissitudes of the oil business have: played havoc with Pertamina over the past 15 years. Today, Indonesia's state oil monopoly gets its first civillan riend, Mr. Falsa, Abdade, tamina's house in order. He has inherited an enterprise buffetted by low oil prices but committed to massive downstream investment in the hope of transforming the company's

SKF rolls along in first-half

European roller bearing sales for SKF improved during the first-half-but competitive price pressures for the Swedish bearing maker is beginning to hit large volume orders. Sales were up almost 7 per cent but profits advanced only 2.5 per cent. Page 19

Market Statistics

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Fisons pays \$460m for Pennwalt's drugs side Bell move paves By Philip Coggan in London and Roderick Oram in New York

and scientific instrument group, yesterday announced the \$460m acquisition of the pharmaceuti-cal division of the US-based cal division of the US-Dascu Pennwalt Corporation.

The deal is being partly financed by a £185m (\$278m) one-for-six rights issue, with the balance being funded from Fisons' cash resources and new US dollar borrowings.

News of the deal accompanied

News of the deal accompanied the announcement of Fisons' interim pre-tax profits which showed a 18.2 per cent increase to £50.5m (£44.6m) in the six

shares closed 7p lower at 244p yesterday. Fisons said that the acquisi-

tion would give the company a presence in the non-prescription or "over-the-counter" US drugs market and a stronger sales force in the US general practitioner market. The group would also benefit from Pennwalt's US research and development capa-Mitty.

Although the Pennwalt divi-sion made a pre-tax loss of \$3.6m in the first half of this year, that was largely due to the launch costs of Microx, the group's new anti-hypertensive drug. Fisons believes that a combination of staff cuts and site rationalisation could remove some \$25m of annual costs by the end of this

Since Mr John Kerridge became chief executive (and sub-sequently chairman) in 1980, Fisons has increasingly built up its pharmaceuticals division, while selling off some peripheral activities. Following the current acquisition, pharmaceuticals are likely to contribute around three-quarters of the group's profits.

Fisons is issuing 82.4m shares mder the rights, offering them

to shareholders at 205p each, compared with Wednesday's closing price of 251p.

The Pennwalt put its drugs division up for sale in June to try to counter an offer of a friendly restructuring made by Centaur Pariners, a New York investment group, which owns about 7.6 per cent of its equity.

Centaur had no immediate comment on the disposal but some analysts thought it might try to launch a tender offer for Pennwalt before it distributes the proceeds of the drug sale. Pennwalt's shares jumped \$2 3/8 to \$84 3/8 in early trading.

way for A\$850m takeover by Bond By Chris Sherwell in Sydney

DIRECTORS of Bell Group, flagship of the reduced business empire of Perth financier Mr Robert Holmes à Court, yesterday recommended acceptance of a A\$850m (US\$806m) bid by Bond Corporation - one day after Bond Corporation finally secured a majority stake.

The recommendation came in

Bell Group's long-awaited formal response to the bid, which was first announced almost eleven weeks ago. On Wednesday Bond Corporation - controlled by another Perth entrepreneur, Mr Alan Bond - confirmed it owned more than 50 per cent of Bell's

Bond Corporation is now expected to seek majority repre-sentation on the board of Bell Group and then move ahead with a complex plan to restructure the two empires. The key feature is a reverse takeover of Bond Corporation by the cash-rich Bell Resources, an offshoot of Bell Group in which Bond directly and indirectly controls 57 per

One potential obstacle to this plan has emerged in the form of Mr John Spalvins, the business-man who controls the Adelaide Steamship conglomerate. In recent weeks he has built up a stake in Bell Resources amounting to almost 13 per cent, and it is assumed he wants to block the plan, or force Mr Bond to sell

Bond Corporation's bid followed its purchase of a 20 per cent stake in the company from Mr Holmes à Court in May. It coincided with a near-identical purchase from Mr Holmes à Court of another 20 per cent holding by the state-owned Western Australian State Government Insurance Commission (SGIC).

Investigation of the deals by the National Companies and Securities Commission (NCSC). the share market watchdog agency, suggested that the two parties might have had some understanding over the future management of Bell Group – an allegation both denied.

But the result was the Bond Corporation bid for all but the 20 per cent stake held by the SGIC, and at the same A\$2.70-per-share price it had originally paid Mr Holmes a Court. The aim was to ensure that all shareholders had a chance of securing the A\$2.70 price as well.

Analysts agreed at the time that this price was generous, and yesterday's delayed response from Bell Group directors said the offer was not only "fair and reasonable" but, according to its independent advisers, in excess

of Bell Group's value per share. Shareholders, they said, were unlikely in the future to receive the premium offered for their shares, "considering Bond Corpo-ration was now entitled to more than 50 per cent of Bell." Yesterday Bond Corporation said its holding had reached 51.2 per

Kerridge looks for US pep-up

Philip Coggan examines the UK group's expansion into pharmaceuticals

hat price expansion in the US? At first sight, the \$460m that Fisons is paying for Pennwalt's pharmacenticals division seems an awfully large amount to pay for a business that made a pre-tax loss of \$3.6m in its first half. Even

based on last year's earnings, the exit ple is about 35.
Indeed, Mr Robert Hedrick, an analyst with Eppler, Guerin and Turner, said yesterday that "the price is almost unbelievable. If they'd Change 12 the price is almost unbelievable. If they'd (Pennwalt) gotten half that amount, I would have thought they had done done well."

But Mr John Kerridge, the chairman who has rebuilt Fisons during the 1980s, believes the acquisition could enhance the group's earnings as early as this year, and definitely the next. Fisons has shed many of its peripheral activities during the

past decade and has increasingly concentrated on pharmaceuticals, which once again proved the main driving force behind its 13 per cent increase in interim profits, announced yesterday.

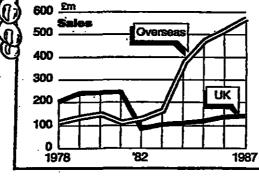
The Pennwalt deal will increase Fisons' pharmaceuticals bias, pushing the proportion of

profits from the division up to

about 75 per cent.

The key to Mr Kerridge's optimism about the price he paid for the Pennwalt division is the scope for rationalisation between the new operation and Fisons' existing US business. Fisons' US headquarters - currently in Bedford, Massachusetts - will be moved to the Pennwalt head office in Rochester, New York. In addition, the sales forces of the two groups will be combined and then reduced from their cur-

effect will be, Mr Kerridge



believes, costs savings of about \$25m by the end of the year. That will have a substantial effect on a

business which made profits of \$19.6m last year.

In addition, the financing of the deal is designed to leave Fisons paying no tax on the Pennwait profits for at least this year and the next.

However, the rationals for the Pennwalt deal is more than just

The market has been expecting a move from Fisons for some

time. Some have been worried that the company is heavily dependent on intal, its long-established anti-asthma drug, and that early sales of a new anti-asthma treatment, Tilade, have proved disappointing. Although there are high hopes for pentamidine, a drug develrent strength of 535 to 400. The

oped by the group for use in treating AIDS-related pneumonia, many fear the group faces a "products gap" if Tilade falls to take off quickly.

The Pennwalt deal does not provide any exciting new drugs for Fisons, and of course it reinforces the group's exposure to the US dollar. But it does offer some real commercial benefits. Pennwalt's business is split vir-

Pre-tax profits

tually equally between "ethical" drugs - those only acquired with a prescription – and "over-the-counter" drugs, which are freely available.

Fisons has some OTC business in the UK, but none in the US. the biggest drugs market in the world. When some of Fisons' products, like Intal, lose their patented status, a US OTC sales force will be vital.

Pennwalt's main products -.

the Penntuss/Tussionex cough and cold drugs - fit in neatly with Fisons' largely respiratory drugs range. And the Pennwalt sales force will give a more substantial presence in the general practitioner market, which will be important when Fisons eventually launches Tilade in the US. Mr Kerridge also argues that Pennwalt's US manufacturing operations will enable the group to save costs on shipping drugs from the UK and that Fisons will benefit from Pennwalt's established research and development facility, which employs more than 50 PhDs.

Pennwalt launched its first pre-scriptive drug, Microx, earlier this year, and although the costs pushed the division into a firsthalf loss some analysts estimate that the product's sales could reach \$40m a year within two to three years.

UK analysts seemed to be won round by Fisons' arguments yes-terday. Mr Kevin Wilson, a pharmaceuticals analyst at Phillips & Drew, said: "It's an extremely sensible purchase strategically."

On the basis of the deal, he is increasing his profits forecast from £125m to £130m (\$219.7m) this year and from £145m to £170m in the next.

UK takeover ruling due on Irish bid

By Lisa Wood in London

The UK Takeover Panel will announce today whether or not Grand Metropolitan, the British drinks group, can proceed with a hostile bid for Irish Distillers

(IDC).
The European Commission, on day, forced the break-up of the three-company British consortium, made up of Grand Met-ropolitan, Allied-Lyons and Guin-ness, which was mounting a 1R£200m (\$285m) takeover bid for

The EC said the three companies could make independent bids although only Grand Met is pressing ahead with plans for an offer. The vehicle for this will be GC & C Brands which was set up by the three companies to launch the original bid. The EC agreed to a proposal that Allied-Lyons and Guinness sell their stake in

GC & C Brands to Grand Met which could proceed with the original offer.

A full meeting of the Takeover Panel met yesterday morning to consider whether this deal was consistent with its rule book. IDC argued that because Grand Mei was part of a consortium bid that was broken-up it should not be allowed to bid for another 12 months. The Takeover Panel said last,

night:" A decision has been made and will be announced early tomorrow. The Panel is expected to give a

fairly lengthy explanation of the issues and analysis of all the If GC & C Brands is allowed to

continue with its bid the official deadline for any increase on the 1R315p per share offer is today.

Kronenbourg merges with Maes

such merger in the Belgian brewing industry since April, when Artois and Brasserie Piedboeuf -best kown for its Jupiler brand joined forces to form the country's largest brewer and the third largest in Europe.

They are both attempts to

establish advantageous positions in the run-up to the creation of a single European Community

market by 1992. Yesterday's merger creates a group with 20 per cent of the Belgian market, still second after Artois-Piedboeuf, since renamed

Belbrew. Alken-Kronenbourg,

ALKEN-KRONENBOURG, the Belgisn brewing offshoot of BSN, the French industrial group, has merged with Maes, the second largest brewer in Belgium.

The deal, announced by BSN in Brussels yesterday, is the second such merger in the Belgisn brewship will be 50 per cent owned by BSN.

Both companies employ around 650 staff, and produce 1.1m hectolitres anually. They are expected to have a combined turnover of roughly BFr7bn, which compares with the BFr2lbn annual sales of

The accord also marks the latest stage in a major re-organisa-tion of the top brewers in a coun-try renowned for the diversity of its beers. More than 400 brands are produced by the Belgian beer industry, a large part of which is traditionally dominated by small

and medium-sized family owned The French company owns

Europe's second largest brewing interests after Heineken of the Netherlands, BSN numbers Kan-terbrau and "164" as well as Kronenbourg among its top brands. A spokesman said the immediate plan was to improve the Belgian distribution of Kronenbourg and that there would be no questions of restricting the development of

Maes.
This continues BSN's strategy of internationalising the Kroner bourg name, pursued mainly through co-operation with smaller national brewing groups in which it has bought stakes in Italy. BSN also has franchise agreements with Courage and Harp in the UK.

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Also with subsidiary in Luxembourg and representative offices in Copenhagen, Helsinki, New York and Stockholm. Union Bank of Norway is known domestically as ABC bank.

Union Bank of Norway

Bass sells Horizon unit for £75m

BY DAVID CHURCHILL, Leisure Industries Correspondent, in London

BASS, Britain's biggest brewer, yesterday surprised the UK UK TOP TOUR **OPERATORS** travel trade by agreeing to sell its Horizon Holidays travel subsidiary to Thomson Travel in a deal worth £75m (\$127m). The move comes only 16 months after Bass bought Horizon for £92m in a bid to become a

major operator in the overseas holiday market. Thomson Travel, part of the Canadian-based International Thomson Organisation, is Britain's largest package tour operator. Its acquisition of Horizon, the third largest operator, creates the dominant tour operating company of its type in the world.

world.

However, the deal could face a reference to the Monopolies and believe the deal should not be Mergers Commission on competition grounds.

Mr Harry Goodman, chairman of the International leisure Group which is Thomson's main rival, is its combined market share would meeting with officials at the only be 22.9 per cent after the

Package holidays **Econsed by CAA 1988** Redwing Owners Abroad Airtours 0.42m 0.40m 0.29m Best Travel Yugotours Granada/WSL 0.29m

Office of Fair Trading this morning to lodge his objection to the

referred to the Commission given the market share of the two groups," he said yesterday. Thomson said yesterday that deal took place. However, these figures represents Thomson's share of the total market for foreign holidays, estimated to have a volume of 21m holidays last Figures published by Thomson

earlier this year give the combined companies just under 40 per cent of the smaller packaged holiday market. The OFT will have to decide whether to take the much larger total foreign holidays market or the smaller packaged market

before deciding whether or not to refer the deal. Mr Goodman also warned yes terday that he would put another million holidays on the market for next summer and launch the biggest price war you have ever seen" if the deal went ahead and

Thomson used its dominant posi-tion to undercut rival tour companies. Bass shares closed last night at 788p, up 13p on the day.

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INTERNATIONAL COMPANIES AND FINANCE

Shareholders cast doubts over Gotaas-Larsen deal

By Karen Fossii in Oslo

CLOUDS HAVE begun to form over the deal announced this week by Gotass-Larsen, the Bermuda-based shipping com-pany, which intends to sell to Carnival Cruise Lines of Mismi its 36 per cent stake in Royal Admiral Cruises for \$260m.

Royal Admiral is a Norwegian holding company for Royal Caribbean Cruise Lines and Admiral Cruises.

Doubt over the deal has been cast by the Norwegian major. cast by the Norwegian major-ity shareowners in Royal Admiral, who say they have first rights of refusal over the

Bilspedition in bid for Swedish

shipping group By Our Financial Staft

deal and that they have yet to be formally notified by either Gotaas-Larsen or Carnival about their intentions.

Royal Admiral is considered a Norwegian company in that IM Skaugen and Anders Wil-helmsen, two shipping concerns, each own a 80.7 per cent stake in the company. Both companies also have a

right to an option which would allow each of them individu-ally to purchase a 2.7 per cent block of Gotaas-Larsen's 36 per cent stake. Should they exer-cise the option, the stake left available for Carnival would be reduced to 30.7 per cent. Mr Cato Holmsen, managing director of LM. Skaugen, said

yesterday that because of the majority Norwegian sharehold-ing the proposed deal between Gotaas-Larsen and Carnival was far from secure.
The Norwegians have yet to

decide if they will make a counter offer to Gotaas-Larsen block Carnival's efforts or sell their stakes. A decision will not be made until the Norwe gian owners are formally noti-fied of the deal.

Sale of units helps

BILSPEDITION, Sweden's largest road haulage company, has agreed to buy 72 per cent of the shares and 74 per cent of the votes of Rederiaktiebolaget Transatlantic in a deal that values the Gothenburg-based

shipping company at an esti-mated SKr780m (\$119.6m). mated SKF780m (\$119.6m).

Bilspedition said it would also bid for the outstanding Transatiantic shares. Trading in the shares of both companies was halted on the Stockholm bourse on Wednesday after reports of a takeover pro-

duced a spurt of buying.

The road hanlage company had sales last year of more than SKri3bn and profit after net financial items of SKr235m. Transatiantic's sales last year were SKr2.72bm. The company has a fleet of 15 ships. Bilspedition said it had

Bilspedition said it had agreed to buy the shares from two other shipping companies and a company controlled by Mr Erik Penser, the Swedish financier. It would pay SKr120 per share and would also buy in options in Transatlantic for SKr65 each.

It said the acquisition fitted in with the strategy of both companies of building an integrated transport system for their customers and that the deal would substantially increase Bilspedition's profit per share. Analysts said Bilspedition might have to sell its 50 per cent stake in Infina, the per cent stake in Infina, the finance company, to fund the

Nedlloyd recovery By Our Financial Staff

depreciations. For the full year, Nedlloyd expects to report profits of at least twice the amount of the first half.

Nedlloyd also plans to pay a FI 7 per share interim dividend. In the first half of last year the group did not pay an interim dividend, and over 1987 as a whole Nedlloyd paid out a total dividend of FI 7 per FI 50 nominal share.

The company said: "Partly because of a few extraordinary gains we will take into account in the second half, we expect

in the second half, we expect the net group profit for the sec-ond half to be more than dou-

NEDLLOYD, THE Dutch shipping and transport group, has bounced back into the black in the first half of 1988, with net profits of F1 52.3m (\$24.3m) against a loss of F1 56m a year ago.

The company said the recovery was mainly due to extraordinary gains from the sale of subsidiary firms and lower depreciations. For the full year, Nedlloyd expects to report savia airline unit to KLM/ Royal Dutch Airlines but included gains from the partial divestment of other units.

Depreciation in the latest period amounted to F1 172.3m against F1 225m last year. In 1987, Nedlloyd wrote off about F1 1bn to adjust its fixed assets to lower dollar and replacement periods.

to lower dollar and replacement prices:

The write off is currently the subject of court proceedings as the special public prosecutor has lodged a complaint. Nedloyd said it had presented its results under the assumption it would not lose the court case and did not have to rewrite its 1987 annual results.

Automatic Data soars

AUTOMATIC Data Processing, AUTOMATIC Data Processing, the largest independent computing services company in the US, has notched up record earnings for 1987-88 and expects current year per-share profits to increase by 15 per cent, writes our Financial Staff.

Profits for the year were \$170.3m or \$2.20 a share, against \$132m or \$1.76, on reve-nues of \$1.55hn against \$1.38hm

a year earlier. a year carnea. Fourth-quarter earnings were \$48.6m or 63 cents against \$40.1m or 52 cents, on revenues of \$393.2m against \$355.3m.

Full-year earnings at Tandy set record

By Martin Stanbridge in New York

TANDY, THE US computer maker and electronics retailer, yesterday reported a 29 per cent rise in fourth-quarter act earnings to \$57.22m or 64 cents per share, from \$44.44m or 49 cents in the year-ago

quarter.
This brought the year's net earnings for the Fort Worth,

earnings for the Fort Worth, Texas group to a record \$316.35m or \$3.54, a 31 per cent increase over the \$242.33m or \$2.70 recorded the previous year.

Bevenues for the year advanced to \$3.79bn from \$3.45bn, including a fourth-quarter contribution of \$813.5m, up from \$736.65m previously.

The year's net earnings were struck after interest income of \$588.000 compared with interest expenses of \$21.94m the year before, while the last 12 month's earnings figure included an after-tax loss of \$2.84m from spun-off operations.

operations.
Following the announcement of the figures, Tandy's shares edged ahead by \$1, to

puring the year under review, Tandy moved to increase its products spread with the purchase in March of Grid Systems, a California pro-ducer of lightweight personal computers aimed at the upper

computers anneal at the appearance of the market.
Until then, the group's Radio Shack retail stores had focused primarily on low-cost

US advertiser buys Foster

By Robert Glbbens in Montreal

THE SALE of a second leading independent Canadian advertising agency to an international group has been announced, with McCann Erickson Worldwide of New York buying Foster Advertis-ing of Toronto for an undis-closed sum.

Last week, Maclaren Adver-tising was acquired by Lin-tas:Worldwide of the US.

These securities have been sold outside the United States of America and Japan. This announcement appears as a matter of record only.

NEW ISSUE

18th August, 1988



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INTERNATIONAL COMPANIES AND FINANCE

Bayer first-half profits up Jutland by 20% on stronger sales

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GROUP pre-tax profits at tial increases in sales and profits at icals group, rose by 20 per cent to DM1.86bn (\$974m) in the DM1.94bn, while BASF's prefirst half of this year from DM1.55bn in the corresponding cent to DM1.7bn.

1987 period.
Sales at group level rose 6.2
per cent to DM20.2bn, against
DM19.1bn a year earler. Both profits and turnover in the sec-ond quarter reinforced the improvement already seen in the first quarter of this year, and the company expects results for 1988 as a whole to exceed the DM3.07bn in pre-tax profits it achieved last year, on sales of DM37.1bn.

Bayer's figures conclude the interim reports from Germany's big three chemicals conglomerates, all of which have announced very substan-

The reasons for the rise at Bayer were much the same as its two rivals, with increasing demand for its products matched by stable prices. The company said it expected the current positive trend to continue throughout the year thanks to favourable economic conditions around the world and high capacity utilisation levels.

Foreign sales at group level rose by 6.4 per cent to DM15.8bn, while domestic turnover increased by 5.4 per cent to DM4.4bn. Sales in Western Europe rose substantially, with

72% leap in earnings business developing "posi-tively" in Latin America and the Far East, Bayer said. US By Hilary Barnes in Copenhagen

sales rose only slightly in D-Mark terms, although the US business performed well when measured in dollars. On a sectoral basis, the growth rate for polymers was above average, as was that for health products sold abroad.

health products sold abroad. However, profits in the polymers division slipped slighly. Sales of agricultural products, which have been depressed throughout the industry, improved, although profits only "stabilised," according to Bayer.

Meanwhile, Agfa-Gevaert, the photographic products and films subsidiary, reported somewhat lower earnings despite slighly higher sales.

Veba advances at six months

By Our Financial Staff

erate, yesterday announced an increase in first-half group net profits from DM304m to DM335m (\$175m) and said it expects profits for 1988 to be at least as high as those for 1987. Group turnover rose from DM19.5bn to DM21.4bn. The

company said in an interim report that it expected further positive developments in the second half of 1988, Veba's group net profit rose to DMI.03bn in 1987 from DM976m the year before.

The company attributed the rise in first half earnings

mainly to a further improvement in profits from its chemical sector. Profit contributions from the electricity, trade, transport and services sectors again reached good levels, while its oil division improved

By Robert Taylor in Stockholm

SKF OF Sweden, one of the

world's leading roller bearings makers, lifted first-half profits (after financial items) by just 2.5 per cent to SKr626m (\$90m),

from SKr611m a year ago.
Group sales totalled
SKr10.6bn, up 6.9 per from
SKr9.9bn in the first half of

VEBA, the West German profits slightly. Veba gave no energy and chemicals conglom-breakdown of its net profit by

sector.

The rise in first half chemical sales to DM4.1bn from DM2.47bn in the year-ago period was mainly due to the incorporation of the chemicals

and plastics divisions of Dynamit Nobel, which Veba bought last year.
Sales from the Huels Troisdorf subsidiary, through which Veba bought Dynamit Nobel, were included in group figures for the first time from January for the first time from January Higher demand for chemical

products led to Huels producing at 88 per cent capacity in the first half of 1988, up from 82 per cent in the year-ago

Electricity deliveries fell 2.1 per cent to 35.62bn kilowatt hours in the first six months of

Modest improvement for SKF

by just over 5 per cent in the 1988 first half to SKr8.87bn, but profits from bearings fell from SKr476m to SKr459m. Bearing sales in Western Europe, the group's most important market, had "developed favourably" but competitive price

bly," but competitive price pressures were affecting its

1988 after a mild winter and lower demand from private

Crude oil production rose to 1.61m tonnes from 1.15m following an expansion of Libyan activities. Veba's refineries operated at 94 per cent produc tion capacity in the first 1988 half. But oil turnover dropped to DM4.02bn from DM4.33bn

due to currency factors.

Veba's investment in the first half was concentrated on environmental protection equipment for its electricity sector and on its chemicals activities. Oil division invest ment rose to DM176m from DM32m after the expansion of Libyan activities.

Analysts said the results fell in line with their expectations, and put Veba on track for up to 10 per cent higher net earn-

sales efforts in that particular

market, the group said.
Tools sales rose by just over
8 per cent over the year, from
SKr538m to SKr588m, with the

strongest increases coming from the US, Italian and Span-

There was a particularly strong improvement in the

components systems division,

where sales rose 21 per cent from SKr1.17bn to SKr1.42bn,

mainly due to strength in tex-

Pharmacia

ish markets.

foreign share ownership By Karen Fossii in Oslo DYNO INDUSTRIER, the

diversified Norwegian industrial group, announced plans yesterday to widen by onethird the foreign share ownership in the company, in an attempt to improve share liquidity outside Norway.

bank shows

Juliand-based bank, yesterday announced a 72 per cent increase in first-half operating profits from DKr156m to DKr286m (\$39m). Group earn-ings rose from DKr199m to DKr250m

The bank doubled earnings from foreign exchange business to DKr106m, which it

attributed to an increase in business with non-resident

customers, a traditionally strong side of its operations.

made on the value of the secu-rities portfolio compared with

a loss last year of DKr30m. Jyske Bank, with a balance sheet total of DKr52bn, is

involved in a dispute with the Copenhagen Stock Exchange, which is considering whether to exclude the bank from the stock exchange list.

The problem has arisen because the bank has arisen

because the bank changed its articles in the spring to restrict shareholders' rights,

with the object of preventing a

hostile take-over in the future.

• Superfos, the Danish fertil-

iser, packaging and building materials group, reported more than doubled first-half

pre-tax profits of DKr131m against DKr61m a year ago. Turnover edged up from DKr2.87bn to DKr2.92bn.

Dyno to widen

A gain of DKr182m was

It also plans a listing with London's SEAQ International, the computer-based market for pricing stocks outside the Lon-

pricing stocks outside the London stock exchange.

To increase foreign ownership beyond 20 per cent in a Norwegian company, application must be made to Norway's Ministry of Business and Industry Affairs (Naeringsdepartement). It considers applipartement). It considers appli-cations on a case-by-case basis. Dyno was granted approval by the authorities to increase its foreign share quota to 83.5

already held by Norsk Hydro.
Although it is Norway's largest publicly quoted company,
it is considered foreign.
Dyno, however, says that for
now it will increase its foreign quota only to 65 per cent until the market demands further

expansion.
It intends to tap the international capital markets to obtain risk capital at rates lower than it might expect from the domestic market.

Asea Boveri claims growth

By John Wicks in Zurich FIRST-HALF RESULTS of Asea Brown Boveri, the Swiss-Swedish engineering group, were "distinctly" better than 1987

figures, according to Mr Percy Barnevik, chief executive. Since the company did not come into being until the start of this year, no comparable values are available. For 1987 as a whole, the former BBC Brown Boveri concern almost doubled its group profits to a "still insufficient" total of

earnings of the former Asea went up 12 per cent to SKr2.72bn (\$417m).

Addressing trade unionists from group companies in Berne, Mr Barnevik said ABB was planning acquisitions and added that these would be pri-

SFr186m (\$116m), while net

marily in Europe.

• Von Roll, the Swiss-based engineering concern, expects higher turnover and a substan-tial rise in earnings this year, according to a letter to share-

In calendar 1987 group sales had failen by 1 per cent to SFr1.33bn, while consolidated net profits rose from SFr26m to SFr24m.

U.S.\$200,000.000 First Chicago Corporation Floating Rate **Subordinated Notes** due 1992

in accordance with the provisions of the Notes notice is hereby given that the Rate of Interest for the next interest Period has been fixed at 8.7875% per annum. The Coupon Amount payable on the 21st November 1988 will be US\$229.45.

Manufacturers Hanover Limited Agent Bank

NEW ISSUE

This announcement appears as a matter of record only.



OSAKA UOICHIBA CO., LTD.

U.S.\$60,000,000

3% per cent. Guaranteed Bonds due 1992

with

Warrants

to subscribe for shares of common stock of Osaka Uoichiba Co., Ltd. Payment of principal and interest being unconditionally and irrevocably guaranteed by

The Norinchukin Bank

ISSUE PRICE: 100 PER CENT.

Daiwa Europe Limited

Nomura International Limited

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Fuji International Finance Limited

Daiwa Bank (Capital Management) Ltd.

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Sanwa International Limited Takugin Finance International Limited

Cosmo Securities (Europe) Limited KOKUSAI Europe Limited **Morgan Grenfell Securities Limited** Sanyo International Limited

Universal (U.K.) Limited

THE RANDFONTEIN ESTATES GOLD MINING COMPANY, WITWATERSRAND, LIMITED ("Randfoutein") (Registration No. 01/00251/06) porated in the Republic of South Africa)

NOTICE TO HOLDERS OF SHARE WARRANTS TO BEARER ("HOLDERS")

categy advertised in the press on 29 July 1988 holders of Randii

of states in Bernste Exploration Limited (Registration No 88/83756/96) ("Bern Jadum Rech. Gold Mining Company Limited (Registration No. 88/838 188") in the entir of I Barnex and I Limbun above for each Rundfostein state In order to receive their entitlement, free of consideration, of Barnes and Lindum she holders should surrender compon no. 108, together with a duly completed White Listing form to Hill Sumuel Registrars Limited, & Greencoat Place, London SWIP IPL.

ples offer of shares in Ramez at 410 cents per share, in the ratio of 3 Barnez shares for In Ramifectein share held and of shares in Lindon at 250 cents per share in the ratio of 2 plans shares for each Ramifectein chare held.

order to accept the offer(s) holders should return their Letter(s) of Aliocation, together h the amount payable (in South African currency) to Hill Samuel Registrars at the we address by 15000 on Friday 16 September 1988.

endered by 9 September 1988 will be of no farther value.

The attention of holders is drawn to the announcement, published simultaneously with this announcement, which outlines the milient dates in connection with the above issue and rights

White and Buff Listing forms may be obtained from Hill Summel Registrars at the abo 18th August, 1982

NOTICE OF PURCHASE



EUROPEAN INVESTMENT BANK Ecu 150,000,000 7.75 % 1987/1997 Bonds

Pursuant to the terms and conditions of the Bonds, notice is hereby given to bondholders that during the eleven-month period ending 30th July, 1988, ECUs 10,000,000 of the European Investment Bank's 7.75 % Bonds of 1987, due 30th July 1997, were purchased.

As of 30th July 1988, the principal amount of such Bonds remaining in circulation was ECUs 140,000,000.-

Luxembourg, August 19, 1988 EUROPEAN INVESTMENT BANK

YOKOHAMA ASIA LIMITED

(Incorporated in Hong Kong) U.S.\$100,000,000 GUARANTEED FLOATING RATE NOTES DUE 1997



Unconditionally and irrevocably guaranteed by THE BANK OF YOKOHAMA, LTD.

(Incorporated in Japan)

Notice is hereby given that the Rate of Interest for the interest period has been fixed at 8-9375% p.a. and that the interest payable on the relevant Interest Payment Date, November 21, 1988 against Coupon No. 13 in respect of U.S.\$10,000 nominal of the Notes will be U.S.\$2337 and in respect of U.S.\$250,000 nominal of the Notes will be U.S.\$5,834-20.

August 19, 1988, London

By: Citibank, N.A. (CSSI Dept.), Agent Bank

CITIBANCO

The Randfontein Estates Gold Mining Company, Witwatersrand, Limited

Barnato Exploration Limited ("Barnex")
(Registration number 88/03756/06

Lindum Reefs Gold Mining Company Limited

("Lindom")

(Registration number 88/03804/06)
panies incorporated in Republic of South Africa)

Company announcement

proposed rights offers of shares in Barnex and Liedan to members of Randfoutely

Further to the announcement on 29 July 1988, Barnex and Lindum announce that The Johannesburg Stock Exchange ("the JSE") has granted listings for the 6 113 553 shares in each of Barnex and Lindum which were allotted and issued directly by Barnex, and Lindum to members of Randfontein on the basis of one Barnex and one Lindum share for every one Randfontein share held ("the entitlement issue"). In addition a listing has also been granted for the renounceable (nil paid) letters of allocation ("letters"), pursuant to the rights offer to members of Randfontein of 18 340 659 shares in Barnez on the basis of 3 Barnez shares for each share held in Randfontein of 12 227 106 shares in Lindum on the basis of 2 Lindum shares for

The 6 113 553 entidement issue sharet (fully paid), and the letters in each of Barnex and Lindum, will be listed on Monday, 22 August 1988. The letters will remain fisted until Wednesday, 14 September 1988. An application to list the shares (fully paid) of one cent each and the shares (nil paid) is being made to the Council of The Stock Exchange, London ("the LSE").

Monday, 22 August

Friday, 23 September

Friday, 19 August

Listings of the entitlement issue shares in Barnex and Lindom commence on the ISE and the LSE

Monday, 22 August Listings of the Barnex shares (nil paid)and the Lindum shares (nil paid)commence on the LSE Monday, 22 August Friday, 26 August

Last day for dealing in letters of allocation on the JSE Last day for splitting -in London by 15h00 (shares (tsil paid)) Wednesday, 14 Septe pesburg by 14h30 (letters of allocation) Thursday, 15 September

Listings of the shares of Barnex and of Lindum arisis Friday, 16 September

Rights offers close - inst day for acceptances and payments to be made by 14k30 in Johannesburg and Listings of the shares in Barnex (fully paid)and in Lindson (fully paid)arising from the rights offers commence on the LSE

Last day for late postal acceptances in Johannesburg

and Lindum share certificates posted on of

Transactions in Barnes and in Lindom shares, in terms of the rights offers, on Thursday, 15 September 1988 and Friday, 16 September 1988 will be for special settlement on the JSE on 27 September 1988.

Subject to the above, the Barnes and Lindum circulars, which will include the renounceable (nil paid) letters of allocation and the Barnes and Lindum pre-listing statements, will be posted to members of Randfontein by Friday, 26 August 1988.

US. \$400,000,000

9% for the Interest Determination Period 19th August, 1988 to 21st February, 1989. Interest payable on 21st February, 1989 will amount to U.S.\$11,625.00 per U.S.\$250,000 Note.

Agent Bank:

In accordance with the provisions of the Notes, notice

SKF9.90n in the first half of pressures were affecting its 1987. SKF expects full-year profits after financial items to be in line with the first half year performance hut has not produced a specific forecast.

Sales of rolling hearings rose

The Kingdom of Belgium

is hereby given that the Rate of Interest has been fixed at

Floating Rate Notes Due February 1991.

Morgan Guaranty Trust Company of New York

Notice to the holders of the outstanding A\$75,000,000 11 per cent.

A\$175,000,000 10 per cent. -**Guaranteed Convertible Subordinated Bonds due 1997**

£75,000,000 5 per cent. **Guaranteed Convertible Subordinated Bonds due 1997**

Bell Group N.V.

each unconditionally guaranteed on a subordinated basis by, with non-detechable conversion bonds issued by, and convertible into ordinary shares of A\$1.00 each of,

Holders of the above Bonds are hereby notified that offers have been made by Actraint No. 81 Pty Limited ("Actraint"), to acquire the fully paid ordinary shares of A\$1.00 each in The Bell Group Ltd ("the shares") at a price of A\$2.70 per share. The closing price of the shares on the Australian Stock Exchange (Melbourne)

The offers will, unless withdrawn, remain open for the period commencing on 27th July, 1968, and ending at 6.00 p.m. (Perth, Western Australia Time) on 29th August, 1988; ("the Offer Period").

The offers are conditional upon a number of conditions. The offers are only being made to holders of the shares registered, or entitled to be registered, in the register of members of The Bell Group Ltd at 9.00 a.m. (Perth, Western Australia Time) on the 27th July, 1988, other than the State Government Insurance Commission of Western Australia. Offers will not be extended to the

The Bell Group Ltd The Forest Centre

edges ahead By Our Stockholm Correspondent

PHARMACIA, the Swedish biotechnology and pharmaceu-ticals group, lifted first-half profits after financial items by 5 per cent to SKr449m (\$69m) from SKr426m a year earlier.
Group sales rose 14 per cent
to SKr3.25bn from SKr2.87bn.

The company expects higher profits for the year.

Pharmacia said the lower dollar had hurt the company's performance in the US but this had been offset by a continuing

positive trend in sales both in Japan and Western Europe. Japan and Western Europe.
The company enjoyed a 42 per cent growth in Japanese business, as expressed in Swedish kronor. Japan has become Pharmacia's best customer outside the US, even overtaking the Swedish home market.

This Notice does not constitute an offer of securities of Bell Group N.V. but does require action on the part of the holders of the Bonds referred to below:

Guaranteed Convertible Subordinated Bonds due 1995

The Bell Group Ltd (Incorporated under the laws of the State of Western Australia)

Limited on the date of the offers was A\$2.63.

holders of shares allotted or issued pursuant to the exercise by holders of the above Bonds of their conversion rights during the Offer Period. -

A fiery baptism for Pertamina's new head | Japanese to issue equity

John Murray Brown in Jakarta examines the problems facing Faisal Abda'oe

Abda'oe becomes the first civilian to head Pertamina, Indonesia's state-run oil monopoly. His appointment as presi-

dent-director, replacing Gen-eral Abdul Rachman Ramly, ends two decades of military control and is seen as further evidence of Pertamina's improved housekeeping 14 years after it almost bankrupted the country with accu-

mulated debts of \$10bm.

Mr Abda'oe's baptism will be nothing if not fiery. He takes over an enterprise hard-hit by low oil prices but committed to massive downstream invest-ment, a move which could radically transform the company's

Pertamina is in the throes of vital negotiations with foreign oil companies over the extension of existing exploration contracts. Meanwhile, foreign buyers of Indonesian crudes are demanding discounts on quoted prices. Even long-term gas contracts face price reviews and possible rebates to take account of the currently depressed state of world energy markets.

Mr Abda'oe knows only too Pertamina is in the throes of

Mr Abda'oe knows only too well the vicissitudes of the ofl business. As Pertamina's

little piece of history sill be made in Jakarta.

today when Mr Faisal oil earnings more than halved oil earnings more than halved to around \$8bn as a result of low prices and output restrictions under the country's Opec

> His principal task now is to sharpen the company's marketing skills, trim domestic costs and re-establish Pertamina's good name, so badly tarnished by the 1974 crisis.

> There are some in Pertamina who still long for a time when the chief executive drove a Rolls-Royce Silver Cloud and entertained his US clients in Pertamina's very own Manhat-

> Indeed, until his "honour-able discharge" in 1976 General Ibnu Sutowo ran this multi-million dollar company like a private fieldom. In addi-tion to the oll interests. tion to its oil interests, Pertamina had a controlling stake in Krakatau Steel, the state monopoly. Mr Sutowo also piomonopoly. Mr Subowo meered the development of Batam island off Singapore as a free-trade zone. Both these ventures were eventually spun off to the Ministry of Industry. Pertamina remains a giant operation. Its staff of 48,000

makes it the country's largest employer. Its bewildering array of assets include hotels, a ship-ping line, an air service com-

pany, even a guest house in previous year due to falling sidy has also fallen off.

Mecca for its pilgrim execu- world oil prices.

Curiously enough the

But the free spending days appear to be over. Pertamina is now putting its house in order and its foreign debts have been reduced, to around \$400m at the end of 1987. The corporation is seiling off company houses and slowly but system-atically slimming its payroll.

To longer allowed to borrow on its own account, all Pertamina's strategic decisions are now closely scrutinised by a special board of commissioners, which includes the Ministers of Finance, Planning, Energy, Technology and the State Secretary.

"We are like cooks in a restaurant," says Mr Kusmadi Endin, Pertamina's spokesman.
"We do the processing, provide the service, but the cashier takes the money."

Emetly how words Borton.

Exactly how much Pertamina makes in any one year is hard to establish. The last set of audited accounts was for the only an abridged version was published. Before parliament in December the company reported gross profits of \$413m for the year ended March 1987, down about 40 per cent on the

Pertamina operations account for only 5 per cent of Indonesia's total oil produc-

tion. More than half its annual revenues, estimated at \$6bn, result from domestic sales. Of that figure, more than 60 per cent is gas or kerosene for household use.

Pertamina, like state companies everywhere, is torn between providing a public ser-vice and making a profit on its operations, no easy task in a country of 18,000 islands spread over an area as wide as

spread over an area as wide as the US. "We charge the same fuel price, whether its a mile from the refinery or deep in the jungle where the only transport is by light aircraft," says Mr Endin.

This may be a slight exaggeration, but by subsidising domestic fuels indonesia has successfully avoided the social unrest affecting other developing countries. The policy, however, has been a considerable drain on the public purse.

ever, has been a consinerable drain on the public purse. In 1981-1982 the subsidy exceeded \$2bm, about 10 per cent of the state's annual budget. This is an amount paid to Pertamina based on the prevailing world market price.

warrant Eurobonds again

JAPAN'S FOUR largest nomic data to move prices, securities firms informally agreed yesterday in a meetin in Tokyo to resume issuance of equity warrant Eurobonds after a three-week break.

Apparent investor appetite for the recent higher coupon deals has meant that eight to nine new issues totalling slightly over \$1.50n are slated to hit the market in the next eight days. Today, a \$500 four-year equity warrant for Sumitomo Metal Industries is expected. It has already been

expected. It has already been trading in the grey market at 98.7525 to 99.75 per cent.
However, the firms are said to be prepared, for the first time ever, to assign varying coupons to issues depending on the quality of the borrower and the size of the deal. Smaller issues for less well-known names will likely carry coupons of over 5 per cent for a four-year maturity.

"Either we have to raise the coupon or the smaller issues

"Either we have to raise the coupon or the smaller issues will not be able come to market," said a syndicate manager at one of the hig four firms.

Up until the informal moratorium in late July — called after prices collapsed under the weight of new paper — all four and five-year issues had virtually identical coupons, irrespective of credit quality. The practice was in stark contrast to other sectors of the Euro-

to other sectors of the Euro-bond markets, and indeed domestic markets around the world, where investors receive higher yields for accepting

higher yields for accepting riskier credits.

Earlier today, Nikko Securities fixed the coupon on its \$300m four-year equity warrant Eurobond for Sekism House at the indicated level of 4% percent, the highest level this year for any similar issue of that maturity. The issue was seen trading comfortably inside its fees at 98% to 98%, although dealers cautioned that the condealers cautioned that the cou-pon can no longer be viewed as a benchmark for other deals.

Among other sectors of the market, dollar Rurobonds closed virtually unchanged in the absence of any new US co-

Meanwhile, yesterday's \$200m offering for J. Sainsbury Finance BV slipped outside its 1% fees to be bid at 1.50 percentage points below issue price. The issue is suffering from the lack of name-recogni-tion outside the UK although it is expected to be fully placed.

Meanwhile, the new issues market saw a spate of bonds denominated in high-coupon

INTERNATIONAL **BONDS**

currencies - Ecu and Austra-lian and Canadian dollars.

Banque Nationale de Paris issued a C\$100m three-year issued a C\$100m three-year Eurobond carrying a coupon of 10% per cent and priced at 101% to yield \$7 basis points over underlying government bonds. Also today, BNP said it would sell FFribn of 12-year subordinated bonds in the domestic French market paying interest at 9.30 per cent.

Lead manager of the Euro-bond, McLeod Young Weir, in a departure from general Euro-market practice, said it will allow co-lead and co-managers to name the amount of bonds they wish to receive, within prescribed limits. That way, firms are not forced to take more bonds than they know they can sell, which should reduce selling back to the lead manager via brokers.

Mcleod said it has also taken Access sain it has also taken the unusual step of telling its syndication group members it will not deduct stabilisation costs from the underwriting fees it passes on to them. The contentious issue of stabilisation costs charged to co-managas houses closely track their profitability. However, while Mclood did not say so, its stabi-

FT INTERNATIONAL BOND SERVICE

lisation efforts are likely to be limited.

Three deals totalling Ecu215m were launched, reflecting handsome swap opportunities in that sector, particularly for floating rate

dollars.
Swedish. Export Credit issued a Eculoom three-year Eurobond carrying a coupon of 7% per cent and priced at 101%. The issue is rated triple-A. Also, Credit Suisse income Guarnage issued a Finance Guernsey isssued a Ren'5m four-year 7% per cent Eurobond priced at 101%. The issue carries the guarantee of its triple-A rated parent, Credit

its triple-A rated parent, Credit Suisse, Zurich.

Eurofima issued a Ecu40m 6%-year Eurobond with a 7% per cent coupon and priced at 102%. It will be fungible with an earlier Ecu125m issue with identical terms.

Zentralsparkasse und Kommerzialbank, Austria's largest savings bank, issued a A\$75m five-year bond carrying a 13% per cent coupon and priced at 101% to yield 75 basis points over underlying government bonds. Primary Industry Bank of Anstralia (PIBA) issued a A\$50m three-year Eurobond A\$50m three year Eurobond carrying a coupon of 13% per cent and priced to yield 110 basis points over underlying government securities. Dresdner Finance BV launched a DM500m six-year

launched a DM500m six-year
Kurobond carrying a coupon of
6 per cent and priced at par. It
carries the guarantee of parent
company Deutsche Bank.
In Switzerland, ABC Union
Bank of Rorway privately
placed SFr50m of seven-year
subordinated debt with a 5 per
cent compon and priced at

cent coupon and priced at 100%. Also, Polly Peck Interna-tional Finance increased to SF125 its SF1160m issue launched two days ago. PKbanken issued a Y5bn four-year bond priced to yield three basis points over the Jap-ances long-term prime rate

anese long-term prime rate.
The issue has put and call options after three years at a redemption price linked to the Nikkei Dow Stock Index.

Growth at Turner & **Newall SA**

By Our Johannesburg

STRONG DEMAND for automotive components and the effect of acquisitions in 1987 have combined to lift the interim sales of Turner & Newall, the South African associate of Turner & Newall of the UK. But the directors warn growth will slow in the second half although the out-

look for trading is promising.

First-half turnover rose to
R110m (\$45m) from R60m. Trading profit before tax and interest rose to R12.5m from

R8m and pre-tax profit was R9.8m against R8.2m.
First-half earnings rose to 39 cents a share from 28.1 cents and the interim dividend has been raised to 11 cents from 7.5 cents. Last year's total payout

NEW ISSUE

Mitsui Finance International Limited

ANZ Merchant Bank Limited

Crédit Lyonnais

Daiwa Europe Limited

Kleinwort Benson Limited LTCB International Limited

S African insurers raise profits | Tokyo to

TWO SOUTH African insurance groups report increased underwriting profits for the first half of 1988, but prospects for both in the rest of the year are somewhat clouded

clouded.
Guardian National Insurance, the South African associate of Guardian Royal Exchange, registered net premiums of R99.5m (\$40.6m) in the six months to June, compared with R72m in the first half of 1987, and R160.9m for half of 1967 and R169.9m for the whole of last year.

. Interim underwriting profit increased to R7.4m from R5m and the interim pre-tax profit was R17.4m against R12.9m. For the whole of last year underwriting profit totalled R9.5m and pre-tax profit was

The failure of one insurer last year reduced competition in the short-term insurance market and allowed insurers as This, the directors of Guardian National say, coincided with improved loss experiences, par-ticularly in personal lines. However, rate-cutting is again becoming a factor as local and

foreign competition for market share increases.

They believe it will be difficult to maintain profits in the second half.

First-half earnings equalled 103.1 cents a share against 79.3 cents and the interim dividend has been increased to 35 cents from 29 cents. Last year a total from 25 cents. Last year a total dividend of 70 cents was paid from earnings of 165.9 cents.

Protea Assurance, the South African subsidiary of Sun Alliance, lifted first-half underwriting profit despite heavy flood claims in Natal and the Orange

Free State.
The directors believe the second half's short-term insurance profits will be maintained, but are concerned by the likely effect of additional taxes

Toyo Suisan Kaisha, Ltd. (Incorporated with limited liability in Japan)

U.S.\$100,000,000

41/2 PER CENT. GUARANTEED NOTES DUE 1993 WITH WARRANTS TO SUBSCRIBE FOR SHARES OF COMMON STOCK OF TOYO SUISAN KAISHA, LTD. unconditionally guaranteed as to payment of principal and interest by

The Mitsui Bank, Limited

ISSUE PRICE 100 PER CENT.

The Nikko Securities Co., (Europe) Ltd.

imposed on life offices. Net written premiums

increased to R65.1m in the six months, from R62.4m in the first half of 1987. Underwriting surplus rose to R5.2m from R2.9m and the shareholders' share of interim life profits slipped to R187,000 from R245,000.

Improved profitability recently has eroded the company's tax loss and increased its tax burden. As a result, the interim taxed profit was R7.1m, against R7.4m.

Last year, premium income totalled R120.8m. A secund-half deficit left the year's underwriting surplus at R2.8m and the total taxed profit at

First-half earnings fell to 91 cents a share, from 94 cents, and the interim dividend has been raised to 15 cents, from 11 cents. Last year, a total divi-dend of 36 cents was paid, from

Goldman Sachs International Corp.

Maruman Securities (Europe) Limited

Lombard, Odier International Underwriters S.A.

Baring Brothers & Co., Limited

Dai-ichi Europe Limited

IBJ International Limited

ease bond

Curiously enough the Indonesian consumer has seen little benefit. When world oil prices

fell 60 per cent in 1986, the price of both kerosene and gas-

oline to the domestic buyer

remained unchanged. Aviation remained unchanged. Aviation fuels, another example, are still 60 per cent higher than in nearby Singapore and, until a recent price cut, were said to be the highest in the world.

In the coming years, Pertamina seems likely to rely increasingly on sales of refined products for its operating reve-

nues. The company already runs eight refineries, with total design capacity of 816,000 bar-

rels per day.

Pertamina is also discussing

a new export refinery, using a new export refinery, using British Government financing. The Hon's share of its output, around 100,000 b/d, is expected to be sold to Japan, Indonesia's largest oil customer.

Clearly any move which adds value to Indonesia's crude exports must make sense at a time when output is limited.

me when output is limited under Opec quotas currently set at 1.2m b/d. But serious questions are being asked not just about financing for the

scheme, but also Pertamina's ability to sell its products in

what is a highly competitive

controls

By lan Rodger in Tokyo THE JAPANESE Ministry of Finance is easing its controls on Euroyen and Samural bonds in a bid to stimulate

Among the main measures recently implemented or on the way are:
• reduction of the effective
minimum maturity from four years to three years;
• introduction of shelf regis-

tration;
• floating interest rates on Samural issues.
The minimum maturity for Euroyen bonds, yen-denominated debt securities issued abroad, had been set at four

But the MoF recently approved a four-year Ruroyen bond issue by a London sub-sidiary of Mitsubishi Corpora-tion, which will be redeemed

The ministry also plans to approve an effective maturity of three years for Samural bonds, yen-denominated debt issues by foreign entities. The bund for the past two years because of the emergence of the more flexible Euroyen

A new law permitting shelf registrations in Japan has been passed and officials said they would accept such registrations for Enroyen notes

Floating rates have already bonds and may be introduced for Samurai bonds by the end of the year, although MoF officials said this was not yet

greed. Similarly, there was agreement yet on reducing the minimum period from the cur-rent 90 days during which proceeds from Euroyen issues cannot be brought into Japan.

Strong first half result for HK-TVB

By Michael Marray in Hong Kona

HR-TVB, the Hong Kong television station controlled by Sir Run Run Shaw, yester day reported pre-tax profits of HK\$250.6m (US\$32.1m) for the six months ended June 30, an increase of 24 per cent over the same period last year.

Turnover increased by 23 per cent to HE\$715.5m from HE\$581.1m previously. This improvement came on the back of rapid growth in adver-tising expenditure within the sales of Chinese language programmes overseas from the company's licensing division.

Profits attributable to share-holders rose to HK\$207.9m from HK\$189.6m, an increase

of only 9.6 per cent. This was because first-half profits dur-ing 1987 had been buoyed by extraordinary gains of HK\$23.2m

Earnings per share stood at 50 cents against 45 cents. The group is 80 per cent owned by Bond Corporation international, the Hong Kong listed offshoot of Bond Corporation Holdings.

TVB dominates the local

television industry, with an approximate 90 per cent share of total prime-time audiences, leaving only 10 per cent to its Earlier this week, ATV lost

a court hattle to hold on to its exclusive rights to broadcas the Secul Olympics, paving the way for the two stations to share coverage of next

Closing prices on August 18 Change to

Merrill Lynch International & Co. **Mito Europe Limited** Norinchukin International Limited Salomon Brothers International Limited J. Henry Schroder Wagg & Co. Limited Sumitomo Finance International Tokyo Securities Co. (Europe) Limited **Tokai International Limited** Westdeutsche Landesbank Girozentrale

UK COMPANY NEWS

Specialeyes looks for USM quote as profits for year treble to £528,000

SPECIALEYES, retail optical chain, plans to join the Unlisted Securities Market through a placing, writes Clay Harris. At present, shares of the company, which was founded in 1985 under the Business Expansion Scheme, are dealt in under Rule 535(2). Specialeyes yesterday announced pre-tax profits of £528,000 for the 52 weeks to May 31, more than three times the £154,000 achieved in the previous year. Sales doubled to £3.2m. The group has 37 outlets, half of which are outside the Greater London area.

has 37 outlets, half of which are outside the Greater London area. The placing of 10 to 20 per cent of the company's enlarged share capital is expected to raise between £1.5m and £2m in new money, according to stockbroker Greig Middleton. At the last reported trade of 65p, Specialeyes was valued at £7.9m.

The USM quote will not affect BES investors' tax relief so long as they continue to hold their shares for the required five years from the time of investment. The shares were originally offered at

DIVIDENDS ANNOUNCED

payment

Oct 6

Oct 14

*Equivalent after allowing for scrip issue. *On capital increased by rights and/or acquisition issues. \$USM stock. \$\$Unquoted stock. \$Third

Current Date of payment payment

6.251

0.5

Cattle's rises 49% Substantially increased profits were achieved by Cattle's (Holdings) for the first half of

1968, and optimism is running high for the rest of the year. In the period, turnover rose 29 per cent to £64.9m (£58.4m) while the pre-tax profit surged 49 per cent to £3.01m (£2m). Earnings were at 8.23p (2.36p) per 10p share and the interim dividend is lifted to 1.25p (1p). The group operates in the financial services field, retails household goods, furniture and textiles, rents televisions and

agency services.

Cattle's Hidge .

owmark (Louis)fin

1 mary 1

video recorders, and provides insurance broking and travel Trading in the second half had started extremely well in all areas of the group.

F. Copson jumps

With the main thrust continuing to come from the LCP acquisition, the transformed F. Copson group has turned in profits of £751,000 on turnover of £26.56m for the year ended April 30 1988. In the year 1986-87 group

sharply from £81.2m to £28.6m, reflecting underwriting losses turnover was £7.29m and profit £112,000 - after exceptional of more than \$10m in Californian workers' compensation and poor results from its parcharges of £52,000. The turnover growth was backed up by improved mar-gins. LCP Building Supplies ticipation in compulsory insurance pools.
In his first public comment (purchased in June 1987) kept up its strong performance. since the Victoire deal found-ered Mr Alan Horsford, Royal Other smaller acquisitions such as K&K Gordon and W.H. Horton had also traded well. chief executive, said it had been Royal's long-term goal

since 1980 to grow in Europe. "Nothing has altered that," he Earnings were 8.11p (1.46p) per 5p share and the dividend is raised to 8p (1.75p). Royal believes it cannot expand significantly in Europe Total Total for year last year

in property/casualty insurance by organic growth, making acquisitions essential, but said there was little prospect of re-opening the Victoire talks. "Victoire was such a good fit strategically that it may be that we could revisit the situa-

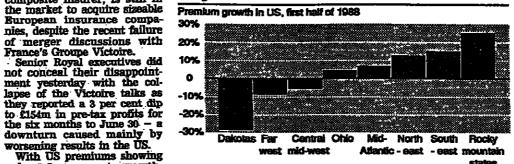
tion – but circumstances

would have to change," he

only 1.5 per cent growth, Royal's profits there fell

Royal to £154m halfway

INSURANCE, Royal Insurance composite insurer, is still in the market to acquire sizeable



Atlantic - east - east mounta

Royal shares closed steady on the day at 397p. The pre-tax profits and 15.2 per cent increase in the interim dividend to 9.5p were close to most

Setback in US restricts

City forecasts. Attempting to counter con-cern over the downturn in the US - where industry price-cutting started 12 months ago -Royal laid heavy stress on its build-up of UK life assurancerelated financial services. Pretax profits at Royal Life Holdings grew from £20.5m to

• COMMENT

With its share price close to a 20-year-low against the FT-Actuaries All Share, Royal can argue that investors' pessimism about its hig US expo-sure has obscured the group's excellent current trading in the

UK. The US property/casualty scene is genuinely worrying: its pricing cycle is fast heading south while loss ratios rise sharply. Royal – as a commercial lines underwriter - can still get rate increases in states re it has very loyal independent agents: but on the prairies it has to choose etween cutting prices or losing business. And the nine per cent average rate increases achieved nationwide in workers' compensation do not keep pace with economic and judi-cial inflation and the need to strengthen prior years' reserves. Yet assuming £325m

pre-tax for the year and a 22p dividend. Royal is yielding a prospective 7.4 per cent gross — a premium to the sector supporting the case that the mar-ket has over-discounted the US

Rentokil rises 38% to £22.9m

have been £545,000 higher.

(£6.04m) in the first half.

COMMENT

0.05 Sept 27 Sept 30-Nov 11

13 5.5 2.5

Dividends shown pence per share net except where otherwise stated

BOARD MEETINGS

rights and/or acquisition issues market. *Carries scrip option.

Rentokil, pest control and

environmental services business, reported pre-tax profits of £22.9m in the six months to June 30. a 38 per cent increa on the equivalent period last

Environmental services contributed £19.8m (£14.5m) whileproperty care profits rose to £3.05m (£2.01m).

Group turnover totalled £99.9m (£85.3m), with 49 per cent of business generated in the UK, 27 per cent in continental Europe and the balance in the US, Caribbean, Austral-asia, Africa and the Far East. At constant half-year exchange

rates pre-tax profits would believe that gap could widen as more pedestrian stocks in the sector fail to sustain growth. Rentokil has now brought Meanwhile, Rentokil is develporting of overseas accounts oping its interest in a variety of new areas, including office into line with the UK accounts. boosting overseas profits, which rose 56 per cent to £9.4m equipment, medical services, tropical plant rental and air Earnings per share rose from 5.21p to 7.21p, and the interim dividend is set at 1.44p (1.2p). conditioning maintenance (including prevention of Legionnaire's Disease and "sick building" syndrome).
Full-year forecasts of £46m or
£47m before tax suggest 20 per
cent growth in profits can be Accounting changes flattered

Rentokil's interim performance slightly, but underlying growth still looks strong with the group at a well-deserved pre-mium of about 33 per cent to sustained and surpassed. The shares were steady at 206p yes-terday and look like a solid bet on a prospective multiple of about 14. the market. Some analysts

moves into lock market in Spain By Clay Harris

Newman Tonks

NEWMAN TONKS, the door and architectural supplies com-pany, has bought a 31 per cent stake in Spain's largest lock maker for £6.2m cash. The acquisition, the group's first of a locks company in continental Europe, follows last month's purchase of J. Legge & Co, Britain's largest independent

lock maker.

The Birmingham-based group also announced the sale of Peerless Plastics Packaging, a food packaging subsidiary, to a management-led buy-out for £15.1m in cash and £575,000 in deferred loan notes.

The stake in the privately owned Spanish Tesa group, comprising Securitesa and Tal-leres de Escoriaza, will give Newman Tonks its first locks foothold in Spain and France, and improve its position on the

east coast of the US.

Tesa will add two products to Newman Tonks's range: card-control access systems, primarily used in hotels, and

The Tesa deal will increase Newman Tonks' share of the Spanish door-closer market, which is already above 50 per cent as a result of its purchase of Barcelona-based Telesco last

Newman Tonks manageme will take over the running of Tesa's activities in the US.

The two transactions announced yesterday will increase Newman Tonks' shareholders funds from \$40m to about £53m and eliminate group borrowings.

Aggressive Raine attacks Ruberoid Raine Industries yesterday

accused Ruberoid, the roofing materials group for which it is bidding, of "misplaced optimism, weak excuses and hap-hazard management." The housebuilder and conweak excuses and hap-

tractor issued an aggressive circular to Ruberoid's shareholders, outlining the details of its final offer - which values the company at about £126m -and expanding on Raine's orig-inal criticisms.

The document invites shareholders to trace Ruberoid's "pedestrian" record in the company's own words, by extracting the comments of Mr Tom Kenny, Ruberoid chairman, from past annual reports and circulars. It also says Ruberoid's board structure, with one executive director, is inappropriate for a listed company with prospective turnover :hing £200m

Britannia Arrow blunted to £15.7m

By Andrew Hiff

THE CHANGED investment climate since the October crash cut taxable profits at Britannia Arrow Holdings, fund management and finan-cial services group, by 37 per cent to £15.7m in the half-year to June 20.

The group said last year's interim profits of £25.1m, achieved during the bull market, had been out of the ordi-

After-tax profits rose marginally thanks to an extraordi-nary profit of £9.03m on the sale of Britannia's stake in Drayton Japan Investment Trust. Most of the 22 per cent stake owned by MIM, the fund management subsidiary, was converted into units and then sold, following reconstruction of the trust in June.

Lord Rippon, chairman, warned that the UK unit trust operation would return lower profits in the second half, because of the phased intro-duction of the Financial Ser-

Turnover, excluding banking and insurance, was down 35 per cent to £440m (£679m). Earnings per share dropped to 4.7p (7.6p) in the first half, but the company declared an unchanged interim dividend of

Interest on the proceeds of last July's sale of Singer & Friedlander, merchant bank, trebled investment and other income to £3.61m (£1.06m), but UK investment management profits more than halved to £4.53m (£9.09m), and income from international investment management was down slightly at £8.89m (£9.68m).

Insurance contributed £663,000 (£441,000), although profits from NEL, NELPHI and NEL Pensions were not included in the results pend-ing the annual actuarial review. Funds under manage-ment were down from £18.5bn

COMMENT

These figures were in line with expectations, and the shares even rose 3p to close at 110p. But at best, Britannia Arrow's trajectory, like that of most other fund managers, is likely to be flat in current market conditions. The lofty aims of mid-1987 now look unattainable, at least in the short-term. Then, analysts were forecast-ing over £50m before tax in 1988; now the full-year profits figure will probably be closer to £31m. Britannia's unit trust operation in the UK is already being hit by the restrictions of the FSA and worse is to come it may break even in the full year, but investors will have to look to the international, insurance and mortpre-crash excitement. Although the forecast dividend yield of 6 or 7 per cent looks reasonably attractive, the shares are on a prospective p/e of about 12 - hardly likely to excite the investor seeking outperformance.

BAT extends Farmers offer

BAT Industries, the tobacco-based multinational now holding bid talks in Los now holding bid talks in Los Angeles with Farmers Group, US insurer, yesterday extended its \$63 per share ten-der offer for the company until August 24, but left in place until tonight its proposal to raise the bid to \$72 per share if Farmers agrees to a friendly

All-round growth lifts AMEC 69% to £22m at midway

By Andrew Taylor, Construction Correspondent

AMEC, construction, engineering and property construction, group which yesterday announced the sale for £17.7m of Wentworth golf course. increased pre-tax profits by 69 per cent to £22.2m in the first six months of the year.

Turnover during the period rose by 49 per cent to £528.5m. The market reacted to the Wentworth disposal and the figures by marking the shares

up 15p to 392p.

The biggest contribution came from housebuilding and property development which more than trebled pre-tax profits to £10.8m. Property and housing sales rose from £23.5m to £66.7m. The housing figures, however, only included one month's benefit from the purchase in May of the remaining 50 per cent of Fairclough

Mr Alan Cockshaw, chair-man, said the mechanical and electrical engineering division had also performed well with profits up by just over a third to £4.3m. Sales were up a similar amount from £156.5 to £213.8m.

Building and civil engineering profits, however, increased

by only 7.5 per cent to £7.1m, despite a 45 per cent rise in sales to £292.2m. Earnings per share of 22p compared with 13.2p last time. The interim dividend rises 32 per cent to 6.25p (4.75p).

• COMMENT

The sharp rise in AMEC's share price had more to do with the Wentworth sale and a higher than expected interim dividend than the strong advance in profits. Nonethess, the results were better than some analysts had been expecting. Prospects for the second half look very good with profits due to be taken from two major property developments: Harbour Exchange in London's docklands and the business park at Wokingham. Housing will benefit further from the Fairclough Homes acquisition. The housebuilding side is expanding into new geographical areas - a move intended to underpin sales growth even if the housing market does flatten next year. Pre-tax profits of around £58m for the year would put the group on a fully diluted p/e of

Benlox joins Chelsfield to buy golf club for £17.7m

CHELSFIELD, the private property company headed by Mr Elliott Bernerd, is teaming up with Beniox Holdings to buy Surrey-based Wentworth Golf Club from AMEC, construction group.

Benlox is the small invest-

ment dealing and civil engineering business which last year bid for Storehouse and has been moving into property

recently. Wentworth is based at Virginia Water, and operates two 18-bole championship golf courses, with a third currently

under construction. In 1987.

the club made a pre-tax profit of £485,000. Net book value of the assets at the year-end was £2.5m but, according to Benlox, this was based partly on a 1974

The purchase price is £17.7m, of which Chelsfield has already paid £10m to AMEC, with the balance due on October 12.

Part of the agreement between Chelsfield and Beniox is still dependent on shareholder approval. However, the plan is for Benlox to subscribe an initial £2.5m towards a joint venture company, and then a further £8m by October.

Main market debut for Tamaris

Lifecare International, the nursing homes group which went into receivership in August 1986, returned to the stock market yesterday in the new guise of Tamaris.

The re-named grouping is the product of a takeover of the Lifecare shell by Aims

Homes, a private company run by two former employees of American Medical Interna-

tional (Europe).

Tamaris came to the market through an introduction by Parrish, the stockbrokers. Dealings opened at 61p and

BP Share Offer November 1987

Letters of Acceptance in the name of **Guaranty Nominees Limited**

Payment of Second Instalment of 105 pence due on 30th August 1988

L GUARANTY NOMINEES LIMITED of Morgan House, 1 Angel Court, London ECZR 7AE are aware that a number of letters of acceptance including their name as applicant are in the possession of third parties who did not apply for registration by the latest applicable date the 19th July

2. Accordingly Interim Certificates have now been issued to GUARANTY NOMINEES LIMITED and they will be required to make payment of the

If anyone has such a letter of acceptance they should contact GUARANTY NOMINEES LIMITED attention Roy Gymer telephone 01-555 3111 ext. 2179 to arrange with GUARANTY NOMINEES LIMITED the payment of the Second Instalment and associated costs and transfer to such person. of the benefit of the Interim Certificate.

4. In the absence of persons entitled making satisfactory : in the absence of persons entitled making satisfactory arrangements with GUARANTY NOMINEES LIMITED it is the intention of GUARANTY NOMINEES LIMITED to apply to the High Court for power to sell the shares registered in their name and hold the proceeds subject to deduction of the Second instalment payment costs and expenses for the benefit of the



Preliminary announcement of the results for the year ended 30th April 1988.

- * Turnover up 30.5% to £2,831,000
- * Pre-tax profits up 47.6% to £524,000
- * Net earnings per share up 45.2% to 1.51p
- * Net assets per share 17.65p

"With its strong management team, the investment programmes of Coastal, Country and County companies maturing and the company's freedom to make acquisitions on its own behalf, your Board look forward to the future with confidence"

Richard Strong Chairman

A copy of the Report and Accounts will be available from, Resort Hotels PLC, Resort House, Clifton Mews, Clifton Hill, Brighton, East Sussex BN1 3HR.

TELECOM

INVESTING SUCCESSFULLY TO INCREASE SHAREHOLDER VALUE

THE FACTS

In the quarter ended June 30, 1988, British

■ Increased turnover by 10.5% to £2.6 billion (\$4.5 billion). ■ Increased pre-tax profit by 7.4% to £610 million (\$1,043 million).

■ Increased earnings per ordinary share 11.0%

to 6.5 pence (£0.65 per ADR). Achieved strong growth in most products and services. Domestic and international calls grew by 9 percent and 14 percent respectively over the past 12 months. Business access line demand was ahead by 9.8 percent and residential by 3.8 percent. And cellular telephone, private lines and Yellow Pages operations continued to expand

rapidly. Maintained its drive to improve customer satisfaction.

■ Invested £595 million (\$1,017 million) in modernising its networks, introducing new services and improving customer support systems.

British Telecom is one of the world's largest telecommunications companies. Together with its subsidiary and related operations, it is playing an increased role in worldwide telecommunications and information services, and is strongly positioned to benefit from the growth in global demand for better communications.

If you have any enquiries as an investor, please write to: Hugh Merrill, Investor Relations Manager, British Telecom, 81 Newgate Street, London ECIA 7AJ, England. Telephone: +44 1 356 5386.

THE FIGURES

Financial Results for the first quarter to June 30 1988 (unaudited)

	First quarter	
· ·	1988/89 £m	1987/88 - <u>Sm</u>
Turnover	2,632	2,381
Operating profit	691	640
Profit before tax	610	568
Profit after tax	393	361
Earnings per share	6.5р	5.8p

North American investors should contact: John Doherty, Vice President Financial Relations, British Telecom Inc., 150 East 52nd Street, New York, New York 10022. Telephone: (212)

319-1945.

ELECOM Investing for growth Johnson

Cleaners

hits £7m

By Vanessa Houlder

CHANGING WEATHER conditions and the strong economy helped Johnson Group Cleaners, the largest

from trading profits of £112,000 from property dispos-als and a saving of £300,000 due to a pension fund holiday. Excluding these figures, the underlying growth in profits was 27 per cent. Turnover increased by 11 per cent to

£54.7m (£49.1m). Mr Philip Bollom, chairman,

Profit margins improved

from 10.9 per cent to 12.1 per cent in the drycleaning busi-nesses, which account for 70

per cent of sales, and from 15.4 per cent to 16.4 per cent in the textile rental business. Turnover in the US

increased by 11.4 per cent. But for adverse exchange rate

movements, turnover would

have grown by 26 per cent. Rarnings per share increased

by 30 per cent to 23.47p (18.01p). The interim dividend has been raised to 5.2p (4.8p).

Louis Newmark

Drugs boost for Fisons as interim profits rise 13%

INTERIM PRE-TAX profits at Fisons, pharmaceuticals, scien-tific instrument and horticulture group, increased by 13.2 per cent from £44.6m to £50.5m in the six months to June 30. The improvement was

mainly due to the pharmaceutical division which increased its profits by 26 per cent to 534 im (227.1m).

up in local currency terms.

After tax of £12.5m (£10.2m), earnings per share were 10 per cent higher at 7.7p (7p). The interim dividend is being increased 24 per cent to 1.9p

US sales of Intal, the group's asthma drug, increased by 44 per cent while those of the eye drug, Opticrom, rose by 53 per cent. Tilade, the group's new respiratory drug, continued to gain sales and is set to be launched in the German market next month.

The consumer health business increased its sales by 40 Total sales were 3.5 per cent per cent with Sanatogen vita-higher at £386.9m (£373.7m), mins, Paracodol and the although they were 12 per cent Radian range all performing

The horticulture division faced problems in the US, where the price of commodity peat fell by 20 per cant. Although there was strong progress in other sectors, prof-

The scientific equipment division increased its profits by 8 per cent to £12m. CMS, the division's US distribution business, achieved a significant increase in sales, although this was not reflected in sterling

CEST, Milan-based gas chromaiography company, saw its margins affected by fierce com-petition from US manufactur-ers exploiting the weaker dol-

Operating profits for the group as a whole were £49.5m (£42.7m) and finance income was £1m (£1.9m).

See Lex

Scholes back-up for Wylex

George H Scholes, electrical engineer, has acquired Metron for a maximum £5.24m. It is also carrying through an inter-nal restructuring and changing its name to Scholes Group.

Metron is a private company

making specialised metal enclosures for use in the telecommunications, refrigeration, security and vending industries. In the year to April 30, it made pre-tax profits of £455,000 on turnover of £3.4m.

already makes metal enclosures, but Mr William Riches, finance director, explained that it needed additional facilities and a more cost effective integration of resources. Also, Metron techniques were more sophisticated.

The initial consideration of £2.74m is to be financed by the issue of shares to the vendors and by cash to be raised through placing new Scholes

Two further profit-related payments, up to a maximum of £2.5m in shares, may become payable.

Under the restructuring, Scholes Group will become a holding company. Operations will be divided into two divisions - Wylex and Appleby. Shares in Scholes closed unchanged yesterday at 480p; the new shares are being at placed 465p to raise £1.5m.

Kunick £10m preference share issue

KUNICK, health care and leisure group which joined the Unlisted Securities Market in January, is issuing £10m worth of convertible preference shares to pay for a London nursing home.

The purchase is in line with

its strategy of making Golds-borough, the old people's homes and sheltered housing subsidiary, the main engine of growth for the group.
Goldsborough accounted for about 16 per cent of operating profits in the half year.

The 10.3m convertible preference shares are to be offered at £1 each to existing shareholders on a one-for-10 basis. Panmmure Gordon is underwriting the placing. Directors will not be taking up their entitle-

Groupe AG may hold talks with Sun Life

GROUPE AG, leading Belgian insurance group, yesterday ing Toro Assicurazioni of Italy insisted that its 5.5 per cent and UAP of France. stake in Sun Life Assurance, UK life insurer, was for invest-

ment purposes only. the end of the first phase of But Mr Valere Croes, AG's managing director, said talks international plans — and we could take place with the UK will be making an amounce company over possible co-oper ment in perhaps a matter of ation to take advantage of the erosion of national trade barri
Asked whether the AG stake erosion of national trade barriers expected from the EC's creation of a free internal market.

Mr Peter Grant, Sun Life matter "it would only foment transport of the community chairman, declined to com- rumours." ment on the AG shareholding, AG already has fully owned which was disclosed late on subsidiaries in France and the Wednesday. But he said he Netherlands. expects to make an announcement soon about Sun Life's own long-awaited proposals for international expansion, possibly including partnerships with continental insurers in the run-up to the creation by 1992 of a single European

insurance market. Since February, it has been known that Mr Grant has held

insurance companies, includ-Mr Grant said yesterday: "I hope that we are getting near

subsidiaries in France and the

Gordon Russell

Gordon Russell, lifted pre-tax profits to £1.66m in the half year to June 30. Turnover stood at £15.69m (£11.68m). Earnings per share came out at 11.1p, a 29 per cent increase from 8.6p last time. The interim dividend talks with a number of foreign is 2.4p (2p).

Resort Hotels

its forecast by revealing a 48 per cent expansion in taxable profits to £524,000 for the 12 months to end-April, on turnover up from £2.17m to £2.83m. A maiden dividend of 0.05p is recommended for the year, payable from earnings of L51p (L04p) per 10p share.

Arthur Wood

which makes earthenwa shown at 21.57m (£2m).

Ratcliffs (Great Bridge) moved back into the black in the first

rance and Allied Services

PRE-TAX PROFITS UP **OVER 50%**

Results to 31st March 1987 Turnover £43.0M £31.5M +36% £4.27M £2.82M Profit before taxation +51% Dividend per share 1.650p 1.146p +44% 5.01p 7.07p +41% Earnings per share

Extract from the Chairman's Statement:-All I really need to say is that it was a splendid year. I do not regard it as a flash in the pan, the potential for further growth is there to see.

The figures in the first quarter of the current year are exceptionally good. If this trend continues, which nobody can forecast in a very uncertain world, it should be another good year.

John Wardle



Copies of the Annuel Report and Accounts can be obtained from the Secretary.

Hampson Court 77 Birmingham Road, West Bromwich, West Midlands B70 6PY.

Resort Hotels yesterday beat

Greater production efficiencies and the elimination of losses at Cariton Ware enabled Arthur Wood & Son (Longport) to lift its pre-tax profit from £87,000 to £159,000 for the first half of

Ratcliffs (GB)

half of the year. The taxable profit at this maker of brass and copper strip was £106,000 (loss £53,600) based on turnover raised to £21.43m (£16.69m). The interim dividend is

T Clarke jumps T. Clarke, electrical engineer and contractor, jumped ahead in the first half of 1988, with turnover rising 41 per cent and

profit 40 per cent. Turnover came to £20.54m (£14.59m) and pre-tax profit to £828,000 (£592,000). Earnings were 5.217p (3.768p) and the interim dividend is 0.937p (0.8395p).

Newage ahead

Newage Transmissions, the USM-quoted maker of gear-boxes and transmissions which is the subject of an agreed £18.2m bid from Williams Holdings, the acquisitive industrial conglomerate, lifted pre-tax profits for the first half of 1988 from £1.18m to £1.52m. On the offer becoming fully unconditional an interim dividend of 1.2p (1p) will be declared.

Yearlings

Yearling bonds totalling £4.5m at 11% per cent, redeemable on August 23 1989, have been issued by the following local

Kirklees Metropolitan Bor-ough Council £2m; Central Scotland Water Development Board £1m; Derwentside Dis-trict Council £500,000; Swansea (City of)film.

Aerospace

Aerospace Engineering lifted pre-tax profits from £1.54m to £2.21m in the year ended April.The final dividend is 1.56p for a total of 3.12p. That compared with a scrip adjusted 2.6p.Turnover rose 18 per cent to £17.65m (£14.9m).

When reference sounds the knell

Nikki Tait on UK monopolies policy, especially on leveraged deals

ouch and go was how one food industry observer described the possible reference to the Monopolies and Mergers Com-mission of Goodman Fielder Wattie's £1.7bn bid for Ranks drycleaning company in the UK and US, boost pre-tax profits by 36 per cent to £7m for the first six months of 1988.

The results also benefited from trading profits of \$112.006 from remerity direct. Hovis McDougall earlier this

Bricks, sugar and bread, he noted, are notoriously sensi-

So it has proved. Much to the City's surprise, the deal is to be scrutimised by the MMC and the bid itself will automatically lapse. A measure of the market's scepticism over the reference threat was swiftly apparent in movements in the share price yesterday: RHM shares, having stood just 15p adrift from the 465p offer price, plunged to 403p.

But, while there is no doubt relief in RHM's Windsor head-quarters, what implications does Lord Young's decision have for monopolies policy? In particular, how — if at all does it impinge on the thorny question of leveraged deals?

Mr Philip Bollom, chairman, said that the company was seeking organic growth for its UK drycleaning business, which has 25 per cent of the market, and growth by acquisition for its textile rental business and its drycleaning business in the US. In the highly fragmented US market, which is worth an estimated \$4hn (£2.36bn) and where Johnson completed the \$32.9m acquisition of Dryclean USA in June, it has sales of about \$40m. Yesterday, the DIT's explanation for the reference was relatively straightforward. It considered that there were considered that there were "possible effects on competition, especially in the market for bread, arising out of the financing of the proposed acquisition, which deserve investigation by the Commission".

The financing of the deal has been much discussed. Goodman owns 29.9 per cent of RHM and the bid implied a fl.lbn cost for the outstanding

Macallan-Glenlivet 98.94% rights

Following the Macallan-Glenlivet rights issue of 193m ordinary at 685p per share, a total of 193m (98.94 Louis Newmark lifted pre-tax profits from £1.04m to £1.35m Earnings per share rose to 30p (21.2p) and the recommended final dividend is lifted to 9.4p, making 14.7p (14p) for the per cent) were taken up. The balance has been sold in the market at 830p per share.

So total bank facilities of £2.05bn were arranged — a £1.1m seven-year loan, with interest at a maximum 1.5 per cent over LIBOR, and £350m through a revolving credit facility. A \$140m rights issue and a £100m euroconvertible

placing were also planned. The pro forms balance sheet, according to the offer document, would then contain net borrowings of £1.93bn against shareholders' funds of £771.3m. The latter figure, it should be £1.5m of goodwill, but treats convertibles as debt. Gearing would be 250 per cent.

nlike many leveraged bidders, Goodman made clear that it did not anticipate selling on major parts of its target. This gave RHM scope to attack the interest and repayment obligations. Its defence document pointed out that the annual interest cost — assuming a 12 per cent rate — would top £230m a year.

Repayments on the £1.1bn losn, meanwhile, were spread over the seven years, starting with 10 per cent in June 1989, and rising to 17.5 per cent in June 1995. "Goodman has not shown how it could meet its banking obligations whilst maintaining RHM's expendi-ture on capital investment and research and development, challenged the UK food group. Goodman, in reply, pointed out that interest on two-thirds

Wolstenholme bid extended

Cookson Group, the specialist man of the lithographic materi

18,912 Wolstenholme shares. contention that there is a commercial logic to the bid.

shares. In addition, Goodman planned to refinance both companies' existing debt.

of the acquisition debt was capped, and that cashflow on fairly conservative assumation. capped, and that cashflow — on fairly conservative assumptions — was more than adequate, leaving it sufficient funds to maintain research and development and countries.

development and capital expenditure.

Nevertheless, it appears to be the KHM argument combined with the structure of the British bread market which is being given as justification for the DII decision. Broker Henderson Crosth-

waite reckons that annual mate. hread sales – excluding morning goods – are around £2tm, of which RHM takes just under 30 per cent, and Associated British Foods perhaps 35 per

The question is whether a more financially-stretched RHM would remain an effec-tive force in the industry. Comtree force in the initiatry. Com-petition is flere, and AEF, the traditional price-setter, has chunky each resources at pres-ent. Speculation that it would use the opportunity to grab market share has circulated. In fact, as the MMC would

no doubt consider, the position is not so simple, as words of one analyst suggest: "The check on AHF is effectively the independents." These are some 20-odd companies like Hereford-based Starbake or Jack-

from the two main groups". Even if RHM was weakened, would competition actually be

als and metal powders group, claimed that the low level of

acceptances showed that Wol-stenholme shareholders thought the hid derisory. He reiterated the target company's

n the broader issue of the fate of large leveraged deals, there has now been the reference and clearance of the Elders IXL assault on Allied-Lyons, the reference of Gulf Resources/IC Gas (the bidder then withdrew), and then green lights, drew), and then green lights, without a reference, this year for Barker & Dobson/Des Corporation, and Jacobs-Suchard's offer for Rowntree, both of which seemed to point to an increasingly permissive cli-

mate.
In theory, the Government's official position — that references should be on grounds of competition and not financing structure — is not contradicted by yesterday's decision. That said, if leverage is viewed as a possible dampener on a company's ability to compete, the waters are moddled somewhat.

More sceptical observers — especially those in the Goodman camp — might wonder whether the timing of the bid, so close after the Rowntree furore, may not also have furore, may not also have become a political factor. Whatever the truth in that,

Goodman's decision over whether to press on does look not easy. It remains committed cneck on AHF is effectively the independents." These are some 20-odd companies like Hereford-based Starbake or Jacksons in Hull, some of which are highly aggressive and, it is thought, are gaining share.

Even Mr Garry Weston, ABF chairman, concedes that "there is a lot of competition apart from the two main groups".

teed outcome. It may be a long weekend, as the Australasians ponder their options.

N. Midland Const.

For the six months ended June 30 North Midland Construction raised its profits from £156,000 to £201,000 at the pre-tax level.

Earnings rose to 4.64p (4.04p) per 10p share and the interim dividend goes up to 1p (0.8p).

metals and chemicals manufac-turer, yesterday extended its £28m bid for Wolstenholme Rink until 3pm on August 31. It did so as it announced accep-tances from holders of just 18,912 Wolstenholme shares.

Interim Results

	Six months ended 30.6.88 £ million	Six months ended 30.6.87 £ million	12 months ended 31.12.87 £ million
Tumover	528.5	353.8	793.6
Profit before tax	22.2	13.1	34,5
Profit after tax	14.4	8.5	22.2
Earnings per share	22.0p	13.2p	34.5p
Dividends per share	6,25p	4.75p	13.0p
The interim dividend	of 6.25p will be pa	id on 30 Decembe	r 1988.

AMEC International Construction Ltd AMEC Projects Ltd AMEC Properties Ltd AMEC Regeneration Ltd AUST-AMEC Pty Ltd CV Buchan (Concrete) Ltd Denco Ltd Fairclough Building Ltd Fairclough Civil Engineering Ltd Fairclough Engineering Ltd

Fairclough Homes Ltd

AMEC Construction Services Ltd

Fairclough-Parkinson Mining Ltd Fairclough Scotland Ltd Fire Protection Industries Inc The Fisk Group Inc Metal and Pipeline Endurance Ltd Press Construction Ltd Press Offshore Ltd **Tames Scott Ltd** Robert Watson & Co (Constructional Engineers) Ltd Robert Watson & Co (Steelwork) Ltd

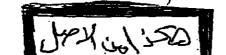
IT ALL ADDS UP TO GROW

The chairman of AMEC p.l.c., Alan Cockshaw FEng. comments: The half year demonstrates that AMEC's carefully planned strategy is evolving satisfactorily. With the current workload at a record level throughout the group, the board is confident that this progress will be maintained.

This has been an eventful six months. The highlights were our

acquisition of the remaining 50% of Fairclough Homes and the rights issue of convertible preference shares which raised over £80 million of additional capital. With this stronger capital base we are now poised for the next phase of our

AMEC p.l.c. 14 South Andley Street, London W1Y SDP. Telephone: 01-499 3656/629 1812. Telex: 296818



CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

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Dollar falls on intervention

dollar to cover a bear squeeze

Banks in Singapore were

reported to be keen buyers of the dollar in the Far East, with

Japanese investors staying on the sidelines.

Intervention by central banks pushed the dollar below

DM1.90 in Europe, but the US

currency refused to fall very far, closing at DMI.8980 in Lon-

don, compared with DM1.9125 previously, and then rallying to DM1.9075 soon after in New

The recovery followed a denial by Mr William Verity, US Trade Secretary, that he had stated an official US view

on the dollar when he said that a rate of DM1.80 would be

favourable for US exports and for the world economy.

At the London close the dol-

lar had fallen to Y133.30 from Y134.05; to SFr1.5960 from SFr1.6030; and to FFr6.4350

INTERVENTION BY central ing support, but there also banks left the dollar weaker on appears to be demand for the INTERVENTION BY central banks left the dollar weaker on the day in Europe yesterday, but the currency showed a certain amount of resilience.

A dealer in London said the market appears to regard the dollar as cheap, in relation to where it has been. But his lack of confidence in the currency was illustrated when he added he did not believe it was cheap.

he did not believe it was cheap in relation to where it is going.
The US Federal Reserve was reported to be a seller of dollars, after European central banks entered into co-ordinated extent of the desired to the dollars. nated action to depress the dol-lar during the late morning. The West German Bundes-bank; Bank of England; Bank

of France; Swiss National Bank, Austrian National Bank, and Belgian National Bank were all reported to have sold the dollar on the open market. The Bank of Italy bought D-Marks at the Milan fixing, but this may have been a move to buy the German currency at a depressed level, in order to increase reserves, at a time when the lira is at the bottom of the Kuropean Monetary Sys-

Trading is becoming increasingly nervous, as the market tries to assess the reason for the dollar's strength, following the recent disappointing trade

inflationary pressure will lead to high interest rates is provid-

£ IN NEW YORK

Acg.18	Latest	Previous
£ Spot	1.6955-1.6965 0.38-0,37pm 1.17-1.14pm 3.38-3.28pm	1.6905-1.6915 0.39-0.38pm 1.07-1.05em 3.20-3.15pm
Forward preside	net and discounts ap	ply to the US dollar
STERL I	NG INDE	K

	Aug.18	Provious
8.30 am	76.8 76.7 76.7 76.7 76.6 76.7 76.6 76.7	76.8 76.9 76.9 76.9 76.9 76.9 76.9 76.8
CURRENCY R	ATES	
Bank	Special*	Епорна

Aug.16	art %	Drawleg Rights	Carrency Unit
Canadian S Austrian Sch Beigian Franc Danish Krone Danish Krone Destsche Mark Heth, Golider French Franc Lapanese Yes Horway Krone Spanish Peseta Swellish Krone Swellish Krone Swellish Krone	20%	0.758086 1.29014 17.2242 51.3454 9.37218 2.44987 8.24587 8.24587 1814,95 1171,958 8.92596 160.725 8.37786 2.06091 196.522 MA	0.64646 1.1009 1.3533 14.4391 43.6486 7.97077 2.3539 7.09320 1542.40 146.369 7.60361 17.13901 1.75104 1.65,902 0.776564

CURRENCY MOVEMENTS

Aug.18	England Index	Guaranty Changes %
Sterling U.S Dollar Canadian Dollar Austrian Schilling Beiglan Franc Danisk Knoe Dentsche Mark Seits Franc Guider Franc Litz	76.7 99.8 84.1 132.6 97.1 88.3 142.8 164.6 131.4 68.4	-15.2 -7.9 -3.5 +9.4 -6.6 -0.5 +29.0 +29.3 +12.4 -21.2
Morgan Gustranti 1982-100. Bank of 1975-1000 Rates are OTHER CU	England Index locksy.17 .	· ·

1982-100. 1975-1007	Morpan Gastranty changes: average 1980- 1982-100: Bast of England Index Gase Amange 1975-1007 Rates are locking.17 OTHER CURRENCIES			
Aerg.18	£	. \$		
Argentina Anstralla Britall Finitad Greece Hung Kong Hung Kong Hung Kong Hung Kong Menito Men	70.2665: 20.3565 21.055: 21.055 454.30-456.25 454.30-456.25 127.70-1227.50 0.48230: 0.48245 21.217.70-1227.50 0.48230: 0.48245 2.756: 0.48245 2.756: 0.48245 2.756: 0.48245 2.756: 0.48245 4.756: 0.48245 4.756: 0.4825 4.756: 0.4825 4.756: 0.4825 4.756: 0.4825 4.756: 0.4825 4.756: 0.4825	11.900-12.0000 248.00-269.30 248.00-269.30 24.4570-4.4690 151.75-154.35 7.8530-7.8550 770.50-75.90 0.26275-0.26325 254.30-2.5470 1.526-1.5275 1.526-		

Pressure eases

REACTION TO yesterday's conomic data was muted on London's financial markets.

Bills maturing hands, repayments. Interest rates showed little movement, apart from an easing of longer term rates. Three-month interbank opened at 11%-11% p.c., but had eased back to Wednesday's closing level of 11g-11h p.c. before the banking figures

MONEY MARKETS

UK clearing bank base tending rate 11 per cent from August 8

were announced. As the pressure appeared to ease for higher UK bank base rates, three-month interbank closed

at 11%-11% p.c. Bank and building society lending was at the record level in July, but dealers were pleased the figures contained no shocks, and bank lending itself was below the rise in June. This tended to confirm that a large part of the rise was because of the August 1 deadline for mortgage related double tax relief on joint ownership of single properties.

The unchanged rate of rise

in June average earnings was greeted with relief in the City. The Bank of England initially forecast a money market surplus of £100m, but revised this to a flat position at noon.

was the

Bills maturing in official hands, repayment of late assis-tance, and a take-up of Trea-sury bills drained £91m, with a rise in the note circulation absorbing £80m, and bank bal-ances below target £15m. These factors were outweighed by Exchequer transactions adding

£295m to liquidity. In Amsterdam call money rose sharply to 54 p.c. from 4% p.c. after the Dutch Central Bank failed to fully replace an expiring agreement on special

The central bank added F1 7.7bn in liquidity, through five-day special advances, at an unchanged 5.0 p.c., against an expiring facility of F1 10.5bn.

The draining of funds from the market was regarded as technical however, as credit conditions should improve within the next day or so, following recent moves by the authorities.

A new three-month credit quota will allow banks to draw a daily maximum of FI 3.7bo from the central bank, against FI 3.4bn under a previous agreement

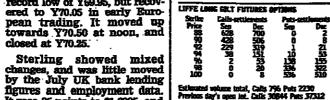
In addition, commercial banks must hold cash reserves of only Fi 1.1bn in the coming Late assistance of around of only Fl 1.1bn in the coming 115m was provided. The authorities did not intervene in the previous month.

FINANCIAL FUTURES

UK data lead to rally

SHORT STERLING futures rallied on the Liffe market yes-terday, as pressure eased on London interest rates, following publication of UK economic

immediate direction of the dol-Long gilt futures were again little changed in quiet trading. The market was reasonably satisfied with the figures on lar, attention is turning to cross rates, and particularly the value of the yen against UK money supply, bank lend-In Tokyo the D-Mark fell to a ing and average earnings. record low of Y69.95, but recovered to Y70.05 in early Euro-



It rose as points to \$1.6985, and was unchanged at Y226.50 and SFr2.7100, but fell to DM3.2225 from DM3.2325 and to FFr10.9300 from FFr10.9375.

Dhergence Regit %

On Bank of England figures

the dollar's exchange rate index fell to 99.8 from 100.3.

As the market questions the

According to the Bank of England, the pound's index fell

EMS EUROPEAN CURRENCY UNIT RATES

POUND SPOT- FORWARD AGAINST THE POUND

DOLLAR SPOT- FORWARD AGAINST THE DOLLAR

EURO-CURRENCY INTEREST RATES

101, 93 82 94

新分为4次年644次 4000年70年644次 1000年70年6447年

0.915 1.554 2.949 207.2 10. 2.479 0.349 0.627 1.169 83.58 4.033 1

0.275 0.467 0.886 62.26 3.004 0.419 0.712 1.351 94.93 4.581

0.679 0.814 1.544 1.08.5 5.295 1.479 2.513 4.768 335.1 16.17

Yen per 1,000: French Fr. per 10: Lira per 1,000: Belgian Fr. per 100,

11-103 83-81

EXCHANGE CROSS RATES

0.330 0.527 1 76.28 3.391 0.841 1.129 740.3 0.648 20.97 4415 7.501 14.23 1600. 46.26 11.96 16.06 16534 9.219 258.5

113-11<u>7</u>

DM Yes Ffr. Sfr. N.Fl. Lina CS Bfr.

3.223 226.5 10.93 2.710 3.638 2386 2.088 67.60 1.897 133.3 6.433 1.595 2.141 1404 1.229 39.79

0.745 l 1.136 l.525

1.298

11<u>1-112</u> 984

10134 - 55-85, 117-75-54-86-88

3,328 2183 1,910 61.85 1,342 880.4 0,770 24.94

655.9 0.574 1000. 0.875

3.089

115-117

105-105 51-54 41-42 51-52 81-63 114-117 8-73 8-73 94-94 94-94

0.38-0.35cpm 13-1-15cpm 13-1-15cpm 33-2-14cpm 34-2-14cpm 13-1-15cpm 13-11cpm 13-11cpm 13-11cpm 13-13cpm 13-13cp

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Strike Price 155 160 145 170 175 180 185	Calls-see Sep 1515 1015 561 245 78 17	1515 1015 1015 1014 325 146 537 17	Pris-se Sep 2 15 81 245 598 1007 1523	Ulement Oct 15 58 168 379 700 1109
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LONDON (LIFFE)

revious day's open lat. Calls 752 Pats 1333

A rise of £9bn in July bank and building society lending was in line with City forecasts, and not quite as bad as some estimates, which by yesterday morning were ranging up to

There was also satisfaction that the rise was because of known factors, such as strong mortgage demand, and that bank lending itself rose only

0e:38 52 52 32 30 31 31 42 22

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LIFFE EU	NOBBLLAR (PTIONS	-		
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Strike Price 1.650 1.700 1.750 1.800 1.850 1.950 9c 6.90 4.30 2.65 1.60 1.00 0.50 0.45

157 2.54 3.57 4.74 6.25 7.96 9.83 11.76 0ct 1.88 1.88 2.72 3.85 5.38 7.14 9.10 11.12 CHICAGO 81-30 81-31 81-30

140 Min. Dec 245

Close High Low Pres. 182.45 183.00 182.20 183.00 184.15 184.60 184.00 184.70 Estimated Volume 843 (1979) Previous day's open let, 10492 (10452) 1.23 91.27 91.23 91.27 90.76 90.85 90.78 90.86 90.67 90.74 Est. Vol. Cinc. Figs. not stown) 6179 (7785) Previous day's point int. 42054 (41509)

Close isign Low Prev. 84-21 84-26 84-12 84-29 84-02 84-02 84-10 84-10 ted Volume 7065 (7882) s day's open Im., 9119 (9602) **CURRENCY FUTURES** LIFFE-STERLING £25,000 \$ per £ High Low 1,6980 1,6938

Estimated Volume 14 (0) Previous day's open lat, 195 (195) POLICE-S (FORESEN EXCRANGE) 1-math. 3-math. 6-math. 12-math. 1.6949 1.6870 1.6788 1.6450 Sept. 1.6985 MM-STEM DIG St per E

Latest Righ Low Pres. 1.6946 1.7000 1.6910 1.6878 1.6830 1.6894 1.6796 1.6766 1.6756 1.6786 - 1.6686

C1.00 a.m. Aug.181 3 months US deliars bid 82 effer 82 MK 8% offer 9 The fixing rates are the arithmetic means rounded to the agents one-statema, of the hid and offered rates for \$10m quoted by the market to five reserves banks at 11.00 a.m. each working day. The banks are National Westmisster Bank, Bank of Tokyo, Desasche Bank, Bangee National de Paris and Morgan Ganzarty Trust.

FT LONDON INTERBANK FIXING

	IONE	' RAT	E\$		
		Treasury	Bilis and	Bonds	
. 10 1 94-4 S	wo worth hree mostis ix month he year		5.66 Times 6.74 Four: 7.26 Five; 7.95 Sees 8.26 10-pt 8.73 30-pt	#2r #2r yest 2r	8.86 8.96 9.06 9.27 9.37 9.42
Overalgist.	One Worth	Two Months	Three Mosths	Çiv Moeths	Lombard Intervention
484.75 72-71; 15-14; 51-51; 51-51; 178125 91-10; 125; 71-71;	\$00-\$15 73-75 24-3 55-55 415625 103-113 61-61 74-75	5.10-5.20 7/2-7/3	520-5.25 7/2-7/4 34-34 5/2-55 4/3-35 1/1-1/4 7/2-7/4	5.45-5.65 7]]-84 ₆	5.00 6.75 - - - -
	0 mm/st. 5	One month Two month Two month Three month One	Treasury Treasury	Dec seeds	Treasury Bills and Bonds Treasury Bills and Bonds Dee meeth 5.66 Three year 10 Three month 7.26 Five year 10 Three month 7.25 Five year 10 Three month 7.25 Five year 8.26 10-year 8.26 10-year 8.26 10-year 8.27 30-year 10-year 8.27 30-year 10-year 10-year 8.27 30-year 10-year 10

Aug.18	Overnight,	7 days notice	One Month	Three Months	Şiz Moeths	One Year
k Offer	9%	10½ 9¾	101 101 101 103 103	11111111111111111111111111111111111111	22.8	112
CDs:	6	9%	103	117	. 11 4 1	사상
ribority Dess.	912	304		115	選	號
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y Deposits House Desosits .	1	-	1115	#2	證	11% 11%
RUL Product	-	:	44,4	117	11.2	21,00
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de Bilis (Bey) Ds ted Dep Offer	-	-	8.30 8.25	8.60-6.55	8.90 8.85	_=
ted Dep Offer	-	-	1 73	73-	7.4	73
lord Dep Bld lord Dep Offer	-	-	23	7.5	発	43
leed Dep Bird	• • . !	•	I 1 3₹ 1	72	/ %	獲

Treisury Bills (sell); one-month 10% per cent; three months 11 per cent; Bank Bills (sell); one-month 189, per cent; three months 108; per cent; Tressary Bills, Aserage tender rate of discount 10.6701 per, EGGO Flood Rate Sterling Export Fishate. Make: up may 199, 29, 1988. Agreed rates for period August 24, 1988 in September, 25, 1988, Scheme I: 11,49 p.c., Schemes II & III. 136, p.c. Reference rate for period July 1,1988 to July 29, 1988, Scheme IV&V: 10.511 p.c. Local Authority and Finance Houses seem days outler, others seven days fixed. Finance Houses Same Rate 10 from August 1, 1988; Bank Deposit Rates for same seven days satisfe 3,25 per cent. Certificates of Tax Deposit (Series b); Deposit £100,000 and over bett under one should 7 to per cent; one-three months 9 per cent; sine-three months 9 per cent.

26.3bn in July, compared with 26.4bp in June. Traders were also relieved that the underlying rate of average earnings remained at 8.5 p.c. in June, amid fears that the figure would rise to 8.75

p.c. The market now awaits today's figures on July retail prices, for further guidance on

Sep 1748 1243 817 456 211 79 24

•	LIFFE SM	NT STERL	DIĞ	_	
	Surface Price 8800 8825 8825 8875 8900 8925 8950	Calls-sets Sep 58 39 23 12 6 2	demosts Dec 100 82 66 52 39 29 21	Pots-set Sep 7 13 22 35 76 100	Dec 22 29 38 49 61 76 93
	Estimated Previous d	volume tot zy's open k	ai, Calls 9. L Calls 17	76 Parts 13 126 Parts 1	62 14519

JAPANESE YEN (B Y12.5m \$ per Y164 0.7547 0.7508 0.7475 0.7618 0.7584 0.7658 0.7670 - 0.7638 0.7745 - 0.7718 Lates: Nigh Low 0.5278 0.5301 0.5272 0.5323 0.5345 0.5314 High Low Pres. 92.70 92.89 92.70 92.89 92.70 92.82 92.26 92.26 92.26 92.17 92.17 92.16 91.98 91.98 91.98

564 20 134 121 101 50 318 120 24.50 2.90 6.20 B 3.20 2.70 2 KNP P NEDLLOYD C NEDLLOYD C NEDLLOYD C NAT NED. C NAT, NED. P PHILIPS C PHILIPS C ROYAL DUTCH C ROYAL DUTCH C UNILEVER C UNILEVER C 1 -22 98 25 -11 105 16 44 34 91 4.70 4.50 8.50 **TOTAL VOLUME IN CONTRACTS: 33,501**

EUROPEAN OPTIONS EXCHANGE

BA	SE LENDING R	ATES
ABN Bank 11	% Market Sank 11	Wat West minster 11
	City Merchants Bank 11. Ciydesdale Bank 11	Northern Bank Ltd 11
	Comm. Bk. N. East	Norvich Gen. Trust 11
1241 - 1111 - 1-111 - 1111 - 1-111 - 1	Co-operative Bank *11	PRIVAThanken Limited . 11 Provincial Bank PLC 12
Henry Ansbacher 11	Contis & Co 11 Cypres Popular Bk 11	R. Rachael & Sons 12
ANZ Bankton Group 11	Cypræs Popular Bk	
Associates Cap Cosp 10 Authority Bank		Roxburghe Grantee 11½
	Dancan Lawrie	Royal Bk of Scotland 11
	Equatorial Bank plc 11	Royal Trust Bank
Barco de Bilbao 11	Exeter Trest Ltd	
Bank Hapoalim 11	Financial & Gen. Sec 11 First National Bank Pic. 115	Standard Chartered 11
Bank Leurui (UK) 11 Bank Crefit & Coras 11		15B 11 UDT Mortgage Exp #11.45
		United 8k of Kuwait 11
Bank of Cyprus		
Bank of Ireland 11		
Bank of India 11	● Guinness Mabon 11	Unity Trust Bank Pic 11
Bank of Scotland 11	HFC Bank pic 11	Western Trest 11
Banque Belge Ltd 11	Hambros Bank	Westpac Bank Corp 11
Barclays Bank 11	Heritable & Gen Inv Bk 11	Whiteaway Laidlaw 1112
Beachmark Bank PLC 11	● Hill Samuel	Yorkshire Bank 11
Berliner Bank AG 11	C. Hoare & Co	A Martin of Grand Martine
Brit Bk of Mid East 11	Hongkong & Shangh 11	 Members of British Merchant.
● Brows Shipley 11	● Leopold Joseph & Sons 11	Banking & Securities Houses
Basiness Milge Tst 11	Lioyds Bank 11	Association. 7 day deposits 4.38%
CL Bask flederland 11	Medicaj Bank Ltd 11	Savewise 7.16%. Top Tier-£10,000+.
Central Capital 11	Midland Bask 11	instant access 9.0% & Mortgage base
● Charterhouse Bank	Mount Bridg Corp 11	rate. § Demand deposit 6%. Mortgage
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GIGHT AVICENCE to the End of the Century

The accelerating pace of expansion in commercial aviation worldwide and the impact this will have on all the existing facilities for the rest of this century will be the subject of the Financial Times latest conference to be held in London on 30, 31 August & 1 September, 1988 just before the Farnborough International Air Show.

.Jan van Bekkum...Selwyn Berson....Frederick W Bradley Jr....

"The Lord Brabazon of Tara…Eugene Buckley…. ..Jack Cunningham...Dato Abdul Aziz Abdul Rahman....

..Günter Eser...Sydney Gillibrand....John Hayhurst.....

..Stuart Iddles...Lee Kapor....Jeff Marsh.....

..Sir Colin Marshall...Jeremy Marshall....Roy McNulty.....

..Jean-Robert Reznik...Phil Ruffles....Heinz Ruhnau.....

..Matthew Scocozza...Alan Snudden....Max Taylor.....

..Gil Thompson...Ronald Woodard....Jim Worsham....

Commercial Aviation to the End of the Century

Please send me full details of the Commercial Aviation to the End of the Century conference.



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FT UNIT TRUST INFORMATION SERVICE

Cancata Life Unit Tot Mars Ltd (1260)F 2-6 High St. Potton Bay, Herts Can Gen Dist. — \$12.94 125.7st 132.4 to 103.24 00 Gen Actom — \$140.8 226.8st 227.7 to 105.13 De lace Actom — \$140.8 226.8st 227.7 to 105.13 De lace Actom — \$140.8 206.8st 207.7 to 105.13 De lace Actom — \$140.8 206.8st 207.7 to 105.13 De lace Actom — \$140.8 206.8st 207.7 to 105.13 James Capel Unit 7st Mingt Ltd (1535)F P.O. Box 552, 77 London Wall, London EC2N IDE I.G INDEX LTD, 9-11 GROSVENOR GARDENS, LONDON SW1W OBD FT 30 FTSE 100 WALL STREET Aug. 1468/1477 -3 | Aug. 1824/1834 -2 | Aug. 2025/2037 +10 Dec. 1480/1489 -3 | Dec. 1838/1848 -2 | Dec. 2048/2060 +8 Prices taken at 5pm and change is from previous close at 9pm ial Union Tst Mgrs Cl600H Understatt FCSP 300Dealing 01-686 Nova 332-47 52-47 56-881 U Cil Prog Im Port. 5-1/48.54 48.65 51.771 Civil. 97 Canfederation Fonds May L Liu (1.200) For Lytton Way, Stemper, Horts Sci. 24M 0.558 74.64.64 for Liu (1.200) For Liu (1.200) Fonds Fonds 1.200 72.87 72.87 72.87 74.64 for 1.200 72.87 **JOTTER PAD CROSSWORD** Consistent Unit Tot Magt Co Ltd (1290) 20 Cootaali Americ, Lordon EC2R 7PA 07, 588 6064 Consistent UT 523.92 24.004 25.331-0.581 -No. 6,712 Set by VIXEN L. &. C. Unit Tst. Magard 1.1d (0905):F Plercy House, Copiball Are, EC29.78E 01-5852800 Income 1576.7 \$98.8m(61) 5.07 Include General 1278.1 279.2 284.8 (1.15) Provident Mutual Unit Tri Mgrs List (1905)14 2-53 Monyate, Losins Eczi 684, 01-583 363 2-53 Monyate, Losins Eczi 684, 01-583 363 2-53 Monyate, Losins Eczi 684, 01-583 363 2-54 Monyate, Losins Eczi 684, 01-583 363 2-54 Monyate, Losins Eczi 684, 01-583 363 2-54 Monyate, 10-583 Department Assets. 59/40.55 47.13 52.271-18.03.00 Lezzard Unit Tat Mapers Left (1200)8 21 Moorfields, London EC2P 2HT 07.588.2721. Global 320.5 20.58 250.7 140.71 3.00 10 Control & Growth ... 9 260.3 260.58 250.0 140.71 3.00 10 Control & Growth ... 9 160.7 171.0 183.3 4 1-14.4 European Gerth -... 9 160.7 171.0 183.3 4 1-14.4 European Gerth -... 9 44.80 44.80 47.72 140.4 0.00 10 Abb Arms Earth ... 9 560.3 45.03 48.00 142.2 10 Jupin & Pac Eth ... 9 560.07 68.07 73.05 -0.00 Fire 1981 99 - 377.05 278.65 31.66 4460.14 461 MIM Stitumin Unit To Myrs Lid (1000)H 11 Denside Sean, London, ECM 47E 01-626-3434 Califree Police Booking: 1000 010733 Intermediary Dealing: 0800 010733 HK Seesield Track. Dartington Unit 7st Mingt Ltd (1200)#1 9 The Crescett, Phymoget PLI 3AB 0732 673673 Total Performs 170.66 77.90 76.567 12.98 Dimensional Tst Mangort Ltd (0905)F 1 Alburario S. Londy W.J. 3HF 1 Japan Saudi Cro. (0712 97128 99104 1012 Japan Saudi Cro. (07128 97128 99104 1012 UK Small Cos. (01335.0 1335.0 1424.91-2.1

ACROSS
1 A neat thief! (7)
5 They make remarkably fine

- traps (7)
 9 Patent covering tin-opener
- (5)

 10 Reversing a vehicle on board is easily managed (9)

 11 Train to charm (9)

 12 A disposition to be instructive (5)

 13 Original in her flower arranging (5)

 15 Realise it means arrest (9)

 16 The tourist ries these out (9)

- 15 Realise it means arrest (9)
 18 The tourist rigs these out (9)
 19 Draw the Tory leader to
 express strong complaint (5)
 21 One cuts a little beast that's material (5)
 23 Give voice about many a
 rise in foreign currency (9)
 25 Not left in the mountains,
 so looks more cheerful (9)
 26 A guy acting as an intermediary (5)

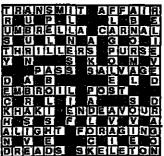
- diary (5)
- 27 Appearing maturer could be a mistake (7)
- 28 A poet in love pens verses

 pens erotica (7)

 DOWN
- 1 A roll containing nothing but chicken (7)
 2 Notices a fly going up and
- down (9) 3 All over America such blos-
- som may be seen (5)
 4 A good excuse to set a limit on drink (9)

- 5 So quick-witted so stinging! (5)
 6 The loooker in (9)
 7 Went down in the main (5)
 8 Given guidance about entering a horse (7)
 14 The canter forming part of a dancer's repertoire (9)
 16 Buys tea in bags (9)
 17 Questioning people (9)
 18 A few in black may be set aside (7)

- 22 Here in France soldiers turned more frigid (5) 23 NCO taking tea in for cook
- 24 A contract that's written for
- Solution to Puzzle No.6,711



- aside (7)
 20 The girl used to be slimmer

- in general (5)

For EBC Antro see Durnenti Trast Mags.

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GUIDE TO UNIT TRUST PRICING

The price at which units may be sold.

CANCELLATION PRICE

The price at which units may be sold.

CANCELLATION PRICE

The maximum spread between the offer and bid prices is determined by a formula taild down by the government. In practice, soil trust measured doos a much acrower gread, is a result, the bid price is often set well above the midinum permissible price which is called the cancellation price in circumstances in which there is a large excess of soliers of units over buyers. TIME

The time shown alongside the fund manager's name is the time at which the unit trusts' daily dealing prices are normally set unless another time is indicated by the symbol alongside the individual unit trust name. The symbols are as follows: \$\phi - 1001 to 1100 hours; \$\phi - 1101 to 1400 hours; \$\phi - 1701 to midnight.

RESTORES PRICING

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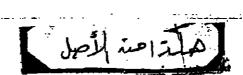
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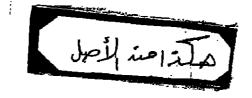


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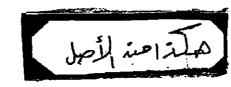
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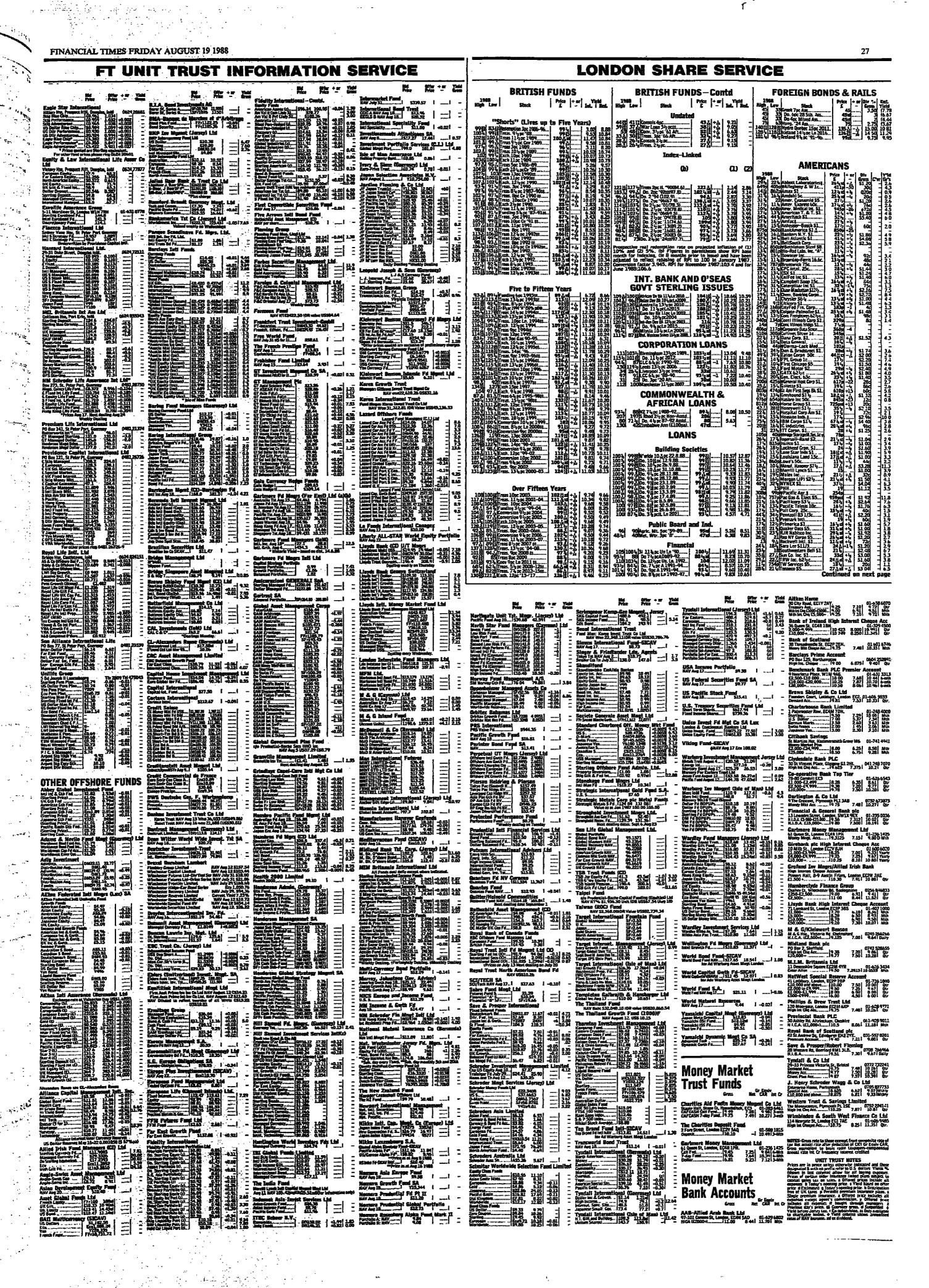


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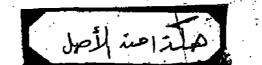
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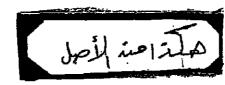




28 LONDON SHARE SERVICE INDUSTRIALS (Miscel.) - Contd. INDUSTRIALS (Miscel.)—Contd ELECTRICALS BUILDING, TIMBER, ROADS -**ENGINEERING-Contd** AMERICANS - Contd | The content of the | Stack | Stac Contd **CANADIANS** 110byNerada Gotdfiets...
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14- j.Toronto-Dom Bi. 2...
127byAntry Corpl... BANKS, HP & LEASING | The content of the DRAPERY AND STORES 212 155 Angle Leasing 10p. y | 171 | 3.5 | 5.2 | 2.4 | 10.2 | 171 | 150 CLF 50p. | 171 | 171 | 18.5 | 1.4 | 9.4 | 11.6 | 105 tlp. 4 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 | 10.5 ES & SPIRITS

422 -3 13.0 2.3 4.1 12.7 788 +13 119.54 3.9 3.3 10.2 163 -1 1643 -1 1643 -1 3.97 2.8 3.2 14.7 1644 163 -1 3.97 2.8 3.2 14.7 1644 17.8 164 17.8 BEERS, WINES & SPIRITS **BUILDING, TIMBER, ROADS** | Attest see | Industrials | 1211 - 2 | 2 | 3.79 | 2.2 | 4.1 | 11 | 1 | 288 - 2 | 2 | 2 | 3.1 | 3.9 | 10.0 | 2 | 2 | 2 | 3.1 | 3.9 | 10.0 | 2 | 2 | 2 | 3.1 | 3.9 | 10.0 | 2 | 2 | 2 | 3.1 | 3.9 | 10.0 | 2 | 2 | 3.1 | 3.9 | 10.0 | 2 | 3.1 | 3.9 | 10.0 | 3.1 | 3.1 | 12.0 | 3.1 | 12.0 | 3.1 | 12.0 | 3.1 | 12.0 | 3.1 | 12.0 | 3.1 | 12.0 | 3.1 | 12.0 | 3.0 | 3.1 | 12.0 | 3.0 | 3.1 | 12.0 | 3.0 | 3.1 | 12.0 | 3.0 | 3.1 | 12.0 | 3.0 | 3.1 | 12.0 | 3.0 | 3.1 | 12.0 | 3.0 | 3.1 | 12.0 | 3.5 | 3.1 | 12.0 | 3.5 | 3.1 | 3.2 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | INDUSTRIALS (Miscel.)
| 173 | 92|| 234 | 1612 | 75,0 | 6 | 72,2 | 73,4 | 72,3 | 73,3 | 3,3 | 110,2 | 72,3 | 74,2 | 74,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 | 75,2 **INDUSTRIALS (Miscel.)** ENGINEERING





FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS		Thursd	ay Aug	just 18	1988	3	Wed Aug 17	Tue Aug 16	Mon Aug 15	Yei ag Cappi
Fi	& SUB-SECTIONS gures in parentheses show number of stocks per section	Index No.	Day's Change	Est. Earnings Yield% (Max.)	Gross Div. Yield% (Act at (25%)	Est. P/E Ratio (Net)	xd adj. 1988 to date	Index No.	Index No.	Index No.	Ind No
1	CAPITAL 800DS (209)	806.76	+0.2	10.06	3.95	12.33	17.16	804.85	804.46	800.72	
2	Building Materials (29)	1628.72	+0.3	I1.07	4.12	11.09	21.41			1013.78	
3	Contracting, Construction (37)	1606.18	+0.4	10.34	3.34	12.63	27.59			1604.46	
4	Electricals (12)	12159.28	-0.2	8.61	4.63	14.39	49.65		2174.88		
5		1761.94	±0.7	9.82	3.42	13.08	40.30			1741.86 422.15	
8		424.64	-0.1 -0.2	9.74 9.89	4.13 3.93	12.74 12.50	9.23 7.95	425.10 485.39	425.52 487.55	481.60	
8		291 20	-0.2	11.98	4.68	9.62	6.62			279.50	
	Other Industrial Materials (23)	1317 22		8.96	4.23	13.34	28.49				
	CONSUMER GROUP (186)		-0.2	8.97	3.62	14.09	19.26			1089.98	
2	Brewers and Distillers (21)	2132.33		10.32	3.60	12.22	20.84	1132.62	1132.22	1125.01	111
5	Food Manufacturing (21) Food Retailing (16) Health and Household (12)	973.78	-1.5	8.90	3.80	14.38	17. 9 5		984.54	987.61	
6	Food Retailing (16)	1970.77	+0.1	8.78	3.38	15.03	38.49		1960.16	1949.36	
7	Health and Household (12)	1826.68	-0.2	6.81	2.68	17.04	18.01		1822.99	1814.43	
	Leisure (30)	1375.33		8.29	3.66	15.43 13.72	28.32		1372.29 526.68	1369.69	
ī		526.50	-0.1	9.34 8.08	3.87 4.32	15.54	9.98 73.53	527.13 3536.05		525.83 3508.29	
4	Publishing & Printing (18) Stores (34)	919 77	+0.2	10.14	4.05	12.96	15.98	816.40			
ï	Textiles (17)	593.81	-0.3	11.64	4.58	10.08	12.65	592.26	595.35	588.75	
Ю	OTHER GROUPS (93)	893.37	+0.3	11.14	4.41	10.97	19.92		885.57	883.33	
ŭ	Agencies (19)	1096-03	+1.2	8.28	2.49	15.27	18.11		1071.79	1069.19	
2	OTHER GROUPS (93) Agencles (19) Chemicals (21)	1050.37		12.15	4.83	9.88	35.79		1046.33	1041.39	
13	1Conniomerates (13)	1214.641	+0.6	10.50	4.45	10.99	22.91		1201 22	1198.34	
5	Shipping and Transport (12)	1944.18	+0.2 +0.3	11.09 11.65	4.62 4.67	11.94 11.14	34.38 20.38	950.17	1933.05 947.51	1932.03 943.31	
1	Telephone Networks (2)	1202 10	70.5	11.34	4.29	10.08	24.64		1190.35	1192.16	
	INDUSTRIAL GROUP (488)		-0.1	9.85	3.93	12.63	19.41	976.36	973.74	970.43	_
	Oil & Gas (12)		+0.2	10.5B	6.04	12.13		1789.11		1775.99	
÷	500 SHARE INDEX (500)	1044 26	+9.1	9.95	4.22	12.56	23.20	1045.42	1042.80	1038.88	-
	FINANCIAL GROUP (122)		+0.4		4.96		18.46	699.32	697.24	695.13	}
	Banks (8)		+0.3	21.51	6.56	6.23	25.83	663.64	660.65	656.32	78
5	Insurance (Life) (8)	1063.90	+1.5		4.72		24.97			1036-29	
	Insurance (Composite) (7)	541.98		-	5.61	- 1	15.67	541.69	543.94	540.24	
7	Insurance (Brokers) (7)		+2.1	9.79	6.47	13.20	31.74	963.29	956.74	947.68	
8	Merchant Banks (11)Property (51)	360.51	+0.5		3.97		7.08	358.86	355.29	359.32	49
9	Property (51)	1222.48		5.19	2.65	24.69 11.87	15.18	1722.23	1218.75	1221.52	
	Other Financial (30)		-0.1	10.55	5.12		9.54	380.07	379.51	379.34	_
1	Investment Trusts (78)	968.42 522.35	-0.1 +1.9	9.17	3.68	12.33	13.49 8.12	909.33 512.38	907.50 512.38	908.53 508.98	
		1175.01	+0.8	9.80	4.75	12.00	35.31	1165.32	1156.84		
	ALL-SHARE INDEX (710)		-0.2		4.29		21.56	955.26	952.81	949.46	
7	ALT-SURKE INVEX (/ 1V/***********************************				+	- 1					
-	ļ .	index No.	Day's Charge	Day's High	Day's	Aug	Ang 16	Aug 15	ALG 12	Arg .	Ye 35
_	FT-SE 100 SHARE INDEX 4	-	-3.0							1835.2	_

	FD	ŒD I	NTE	REST	r			AVERAGE GROSS REDEMPTION YIELDS	Thu Aug 18	Wed Aug 17	Year ago (approx.)
	PRICE INDICES	Thu Aug 18	Day's change %	Wed Aug 17	xd adj. today	xd adj. 1988 to date	12	British Government Low 5 years		9.80 9.46 9.14	9.47 9.99 10.00
	British Government			1] 4	25 years Medium 5 years	10.23	10,24	10.55
1	5 years	219.61	+0.07	119.53	-	7.57	ļş	Coupons 15 years	9.68 9.36	9.68 9.38	
2	5-15 years	135.68	+0.05	135.61	-	8.81]	25 years High 5 years	10.34	10.35	
3	Over 15 years	147.87	+0.07	147.77	l – ,	7.86	l é	Coupons 15 years	9.83	7.84	10.42
4	irredeemables	166.85	+0.15	166.59	- '	7.30	9:	25 years	9.39	9.40	10.06
5	All stocks	133.33	+0.06	133.25	l –	8.30	10	irredeemablest	9.73	9.73	9.99
6	Index-Linked 5 years Over 5 years	127.07 120.80 121.14	+ 0.21	127.11 120.69 121.05	0.15	1.81 2.43 2.37	12 13	Index-Linked Inflation rate 5% Inflation rate 5% Inflation rate 10% Inflation rate 10% Over 5 yrs Over 5 yrs	3.07 3.86 2.10 3.70	3.05 3.87 2.08 3.72	3.11 4.10 2.97 4.07
				 	-	 		Debs & 5 years	10.93	10.85	10.80
_9	Debeutures & Loans	117.94	-0.96	118.00	<u> </u>	7.11	119		10.87 10.81	10.83 10.83	10.80 10.80
10	Preference	91.83	-0.36	92.16	-	3.61		Preference	9.83	_	

#Opening Index 1829.9; 10 am 1828.0; 11 am 1829.3; Noon 1830.8; 1 pm 1831.8; 2 pm 1831.7; 3 pm 1831.6; 3.30 pm 1831.1; 4 pm 1832.7

ritish Funds Experations, Dominion and Foreign Boods dustrials mencial and Properties ils antiations inter	Rises	Falls	Same
	62	17	34
	1	13	38
	344	299	953
	142	92	422
	26	26	56
	2	2	9
	50	23	120
	72	61	136
Totals	699	533	1,768

LONDON	RECENT	ISSUES

EQU	ITIE:	<u>s</u>									
	715	LEFE	198	8	See	Codes	485	=	-	3	?E
P	=	áz:	ři și	1.70		72		_	j	THE R	200
125	FP	•	171		Boultier Group 10p	没	-2	uz	43	1.8	М
1125 1145 1200 175	FR	12/6	173 183 184 170 188 183 184 184	袋	(Drice Good 2)	型		1	-33	27	15.9
175	F.P.	167	83	7%	HCity Gaze Ests. £1	760		nii	20	178	35
-	FP.	1679 2277	ĬŢ.	136	Espire & O'yeas Props 100.	134 134 144 144		12.6 15.5	49	75	84
5165	F 2	22/8	170	168	Erecu - Groep	179	1	<u> </u>	33		
195	FP	! :	108	487	Eurocaey 50	- S.		R2.19	25	31	26.2
595	FP	-	186	100	Meritage 125	int	l	1275	24	20	221
하다 162	FP	22,3	165	228	NL 42. Grad 100	138		1 17	25 07	31	14
•	FP	! -	104	揽	Lourdes Vestore Se	143	<u>+1</u>	575	27	74	2.1
90 9100 120	F.P.	2017	151 105	1 48	Need or Error	120	1-1	121	2	13	냶
760	FP.	29.7 26/8	74	58	AOptim Group 10p	i ić	-		1 - I	173	20 9
-	FP		250 28	540	Paintenton Hidgs	240		27.5	כנ	42	III.
e: 4n	F.P.	77,7	1,25	78 145	RIT Capral Parines E1	7.77		323	22	24	18.
120	FP.	27/7 5/8	161 141	! 176	Receipt Gross 20s	179		E54	155	ü	13
140 140 125	FP.	19/8	133	1 125	San!'s 5p	128	1	237	꿇	Ιĵ	ĸ
•	F.P	-	153	1 115	Sezi eid	129	<u>ا</u>			- 1	l
-	F.P.	1 :1	监		Tameris 10p	NAME OF SERVICE OF SER	Į	120	0.1	4.2	I :

		F	XED	INTE	REST STOCKS		
Price	Amount. Paid	Latest Record	19	268	Sect	Cleries	٠,
£	. mp	Date	High	[Lines			١.
100s 101 09 100s 45 100s 100s 100s 100s 100s	PPPPPPPPPPPPPPPPPPPPPPPPPPPPPPPPPPPPPP	12/8 16/9 12/8 20/9	1049 1029 3139 1059 8699 454 5989 100 200 1159 8642 1080 103 1079pm	6998 65 1997 991 150 1109 795 989 100	N wire Ang. 10 thr. 17.7.89 Do. 11 just 7.8.69 Pessystem 7.75ec Do Per Rei Pi Pessystem 7.75ec Do Per Rei Pi Rei Cartal Pess 2 type Do the Le 2000 Sarrel En I. 7 rg. Do Rei Pi Tamara B 10 cC. Rei Pi 2003 INS Error 7 4 cp. Con Ex Pri 2003	10 10 10 10 10 10 10 10 10 10 10 10 10 1	-1 +1
\$100s	FP. Nil FP	21/9	5000 5000 1080	1636 1923 9564	Misgon Inc", Midgs, 71, pp. Cr. Prg Pf Misserglade Inst. 7, 75% Cr. Cr. Rd Pf Mork Trast Grt., Rd., Ca., Co., Pf., 206	106p 1,00m	

			RI	GHT	S OFFERS		
icue Price	Amount	Litest	19	98	Sect	Clasing Price	+ 04
P	62	Date	Hiệt	îne]	2	-
37.5 190 180 180 180 175 175 175 180	No. 1 No. 1	28.19 22.19 22.19 19.19 19.19 14.19 4/10	14 2 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5	50m 81:0m 20m 30m 90m 220m 1:00m 730m	Amber Cay Hidgs, 2020 Bernar on Scott State Stat	Spin Spin 12pm 2pm Spin 10pm 2pm 73pm Lippn	43.4.4.
a Attracki wer based	OR SWISER	t en fuil e	epital, q Ass	gened dirtic	esticates d'Divident rate paid or payable est and yiels a Divident and yield exclude	CE SET OF S	200

TR	ADIT	ION/	IL O	PTION

 First Dealings Last Dealings Last Declarations For settlement 	Aug 8 Aug 19 Nov 10 Nov 21
Ear anta indications	

included Calor, Rex Williams Standard Chartered, Sirdar, Can Capital, Stormgard and Charter-hall. No put options were reported

				10			TRA	DED OP	rioi	14	, .			,	
				10	45	- T				-	فلنك		-	PULS	عدد براواد - مدرواواد
			CALLS			PUTS	Agr	. bettee		No.	No.	ider	Nort	fee:	74
Option Affect Lyons (*422)	390 420	9ct 43 21	33 33 35 15	80 42	13	11 25	22.88	(*62%)	100 100 100	30 125 32	社 10	Ħ	**	23 XX	17
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or write to him at:

Bracken House 10 Cannon Street London EC4P 4BY

FINANCIAL TIMES

NOTICE TO NOTEHOLDERS OF ZIM ENERGY CORP. 7.5% CONVERTIBLE SUBORDINATED SERIES B NOTES DUE 2001

Notice is hereby given by Mustang Resources Corp., successor to Zim Energy Corp., in accordance with Section 9.14 of the First Supplemental Indenture dated Detember 24, 1986, by and between Zim Energy Corp. (now known as Mustang Resources Corp.) and Affied Bank of Tests (now known as First Interstate Bank of Tests, N.A.), as Trustee, that heary Production Co., the Gammanor under the Guarantee Agreement dated December 24, 1986, has filled a petikion seeking relief under the United States Bankruptcy Act. As a result, the accurity held by the Trustee for the payment of principal on the Series B Notes may be substantially impaired.

FIRST INTERSTATE BANK OF TEXAS, N.A., at Thistee (successor in interest to Alfied Bank of Texas, as Trustee)

RATCLIFFS (Great Bridge) PLC.



INTERIM REPORT TO SHAREHOLDERS 1988

The Unaudited Group Earnings for the six months to 30th June, were as follows:-

	Half Year To	Half Year To	Full Year
	30.6.1988	30.6.1987	1987
GROUP SALES	£	2	£
	21,430,900	000,083,51	33,624,000
EARNINGS - Gross Parent Company Subsidiary Company	(222,200) 328,800		
Estimated Taxation	106,600	(53,600)	425,000
	171,100	108,000	324,000
PROFIT (LOSS) - Nett	(64,500)	(161,600)	101,000
Earnings per Share	(1.84p)	(3.91p)	1.24p

CHAIRMAN'S COMMENTS

GREAT BRIDGE

Operations had to be curtailed during first quarter due to the effects of runaway copper prices resulting in substantial damage to earnings.

Position recovered from May 1st and prospects for the second half are encouraging.

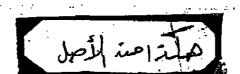
A satisfactory half year with continued good prospects for the second half.

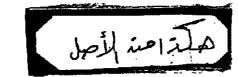
The increase of 28% over 1987 is due entirely to higher metal prices. DIVIDEND An interim dividend of 0.50p (as 1987) will be paid on 1st November 1988 to shareholders on the register at 2nd September, 1988. This will absorb £23,400.

18th August, 1988

F. R. RATCLIFF Chairman. Alle Pit

.abanr





LONDON STOCK EXCHANGE

Markets steadier after economic data

A TRADING session laced with important developments on both the corporate and eco-nomic fronts failed to produce any great change in the direc-tion of UK securities markets yesterday. Equities closed steady after moving narrowly. in response to trading state ments from such major companies as Fisons, British Tele communications and Royal Insurance. There was also the official decision to refer the controversial £1.7bn bid for Ranks Hovis McDougall to the UK Monopolies Commission, a move with implications for

Government bonds also perfuelled inflation worries. The

Acco	est Dealing	Dates
Tirst Dealing Aug 1	Aug 16	Sep 5
Option Decing Aug 11	Sep 1	Sep 15
Leet Dealings Aug 12	Sep 2	Sep 18
Account Day: Aug 22	Sep 12	Sep 28
They fine do	officer way take	place from

formed well as a batch of eco-nomic data proved, "poor, but no worse than expected", as Mr John Shepperd of Warburg Securities expressed it. There was some disquiet over the 9 per cent gain in UK manufac turing wages in June which, taken in conjunction with the dip in July unemployment,

lending figure, while discom-forting, was inside the mar-ket's predicted range. Equities opened uneasily and were quickly unsettled by the Ranks Hoyis McDougall (RHM)

bid referral, which drove RHM shares sharply downwards. Also attracting attention was the European Commission intervention in the takeover approach to Irish Distillers by a UK consortium, which appears to leave Grand Metro-politan alone as a prospective

Then came a £165.8m cash call came from Fisons. How-ever, the broad range of the marketplace saw relatively minor losses, which were

extended only briefly on the money supply and bank lending announcement. Share prices rallied to trade around overnight levels before edging upwards as Wall Street opened

At the close, the FT-SE Index showed a gain of 3 points at 1833.9. Seag turnover of 335.2m shares was a shade below Wednesday's comparative fig-ure but traders sensed an improvement in customer

"Not a bad performance from a market which has taken pard a long list of not particularly helpful news and eco-nomic data", commented one leading trader

There was little activity in

the international blue chips. however. Interest rate worries remained in the background, and equity traders kept a close eye on the London money mar-ket which continues to foreshadow another rise

Consolidated Goldfields provided one of the best features among the leading shares. There is, however, a spread of oninion on the stock in London, with at least one house taking a bearish view. Government bonds ended with gains of around & at the longer end, and rather less in

the shorts. While retail business remains thin, there is a marked reluctance to sell stock in view of the lack of new supply in prospect.

from one leading UK securities house. Ferranti, boosted by the

latest MOD contract and the

subject today of a major pre-sentation in Scotland to ana-

lysts, edged up to 96p. In its latest "Focus on Technology"

County NatWest Woodmac rates Ferranti, along with Cable & Wireless, its outstanding selections; improving fun-damentals and the prospect of

a bid for one of the majors

mean we retain out strong

stance", says the County elec-

Rumours of imminent news

on the five-week-long merger talks triggered good buying of

BSR, up 5 at 90p.
Smiths Industries eased 4 to
253p. Following a visit to the
company BZW, the securities

profits forecast for the current

year from £100m to £97m and for the following year from

£117m to £110m. At the same time BZW suggests that the

group is in for a period of con-

solidation and sees better

London buying was mainly responsible for an improve-

ment of 8 to 483p in Reuters

while dealers reported persis

tent sizeable demand for

Trafalgar House, which advanced 6 further to 318p in a

Cadbury-Schweppes slipped lower as some traders took a cautious view of bid prospects

in the food sector following the

Monopolies Commission

reference of the offer for RHM.

However, others pointed to Grand Metropolitan's balance

tor. At 379p, Cadbury closed 5

volume of some 23m shares.

value elsewhere.

tronics team.

FINANCIAL TIMES STOCK INDICES High 87.78 87.76 187.8 (18/8) (15/2/83) (26/10/71) Ord. Di. Yield Ezming Yid %(full) P/E Ratio(Net)(½) SEAO Bargains(5pm) Equity Turnover(2m)† Equity Bargainst Shares Traded (mi)† S.E. ACTIVITY 11.68 10.42 21,506 498.75 Aug 17 Aug 16 Indices 19,623 Gilt Edged Bargains 114.3 Equity Bargains Equity Value 5 - Day average 106.7 111.3 ●Opening ●10 a.m. ●11 a.m. ●12 p.m. 14743 14729 14741 14749 ●1 p.m. 1475.3 DAY'S HIGH 1478.2 DAY'S LOW 1472.0

Sell-off in RHM shares

Fielder Wattie's £1.76n bid for Ranks Hovis McDougall (RHM) to the UK Monopolies Commission surprised the stock market and shares in RHM plunged sharply, without waiting for Goodman's formal statement that its offer had lansed. RHM shares fell 50p to 403p to a chorus of comments that, "At best, the shares will be dead money for months, and at worst, may never see 465p

This isn't a Rowntree situation in the making", com-mented Julia Bannon of Robert Fleming Securities, the UK securities house. "Moreover", she added, "the RHM management seem to have done a good iob of convincing the institutions that they are running the company successfully any-

Goodman's offer was highly leveraged and analysts conjecture that it will be forced to sell its 29.9 per cent RHM stake the most recent purchases were made at 465p, and the market sees no new bidder waiting to step into Goodman's

The wider question of the decision to refer the bid cast a cloud over other prospective bid situations involving UK companies operating in basic consumer products.

Fisons dip and rally

A heavy turnover built up in Fisons as the market digested the group's US expansion moves via the acquisition of the pharmaceutical division of Pennwalt for approximately £271m. This was accompanied raise £165.3m net and the halfyear figures. Fisons were marked down sharply at the outset and eased further to 285p before recovering to close only 7 off on balance at 244p. Volume amounted to some 13m

A number of analysts thought the acquisition expensive, but were quick to point out the more beneficial medium to long term element of the deal. House Govett, the securities house, is more opti-mistic about the short-term and reckons Fisons shares are undervalued. Fisons said it expects no dilution in earnings.

in the current year.

The purchase has come at a time when the group would he expected to gear up for new drug sales in the US. Only last week, Fisons announced the acquisition of Italchimici SpA, an Italian pharmaceutical com-pany. The Pennwalt deal is the

Ellis &

Everard

forms new

company

ELLIS & EVERARD has

chief executive: Mr John

(specialists); and Mr Fred

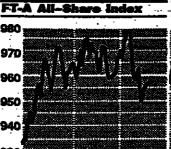
Cartwright, commercial

Ward, line director

& Everard (UK), and made the following appointments: Mr Peter Wood, chairman and

Philipotts and Mr Ian Walmsley, joint managing directors, Mr Bob Porter, line

director (services); Mr Graham



higgest so far in Fisens' his-

S&N react sharply

The RHM news stunned traders in Scottish & Newcastle (S&N), raised the question immediately whether a hid from Kiders IXL would get similer treatment. The current strength of S&N shares owes much to speculation of the Antipodean group increasing its shareholding prior to making an offer and hopes faded slightly in the face of this

Account and other short-term operators opted to realise recent gains and S&N shares fell sharply before steadying on signs that a buyer could be mopping up stock at the lower level. After a tentative bounce, however, the shares retreated again and the close was only just above the day's lowest at 367½p, down

14% on the session.

The market responded positively to the Bess sale of Horizon Travel to the Thomson organisation for 275m. Investment interest improved and the shares rose 13 to 788p behind favourable reactions from analysts such as Mr Kevin Feeny, brewery sector researcher at Warburg Securities. He said: "The group has eliminated an area of market concern for a good price and retained the eleven Spanish

The enforced break-up of the British consortium offer for Irish Distillers (ID) seems to have opened the door for a Buropean fight for control of the distillery group. ID shares raced higher to 317p, up 27p, on assertions that the Takeover Panel would give Grand Metro-

SEAQ Shares traded Turnover by volume (million)

Jul Aug

Aug

politan the go-ahead to bid alone. A decision from the Panel was expected yesterday, but no statement was forth-

> A bid from Grand Metropolitan of 320p for each ID share, compared with the consortium equivalent of 262p, was widely forecast by the financial press. But there was also speculation that French group Pernod-Ri-card, confirmed to be the holder of a small stake, could be ready to counter, adding another dimension to the situa-

> > tan shares was also stimulated by the introduction of changes in accounting practices which include what the market sees as the first major valuation of brand name assets by a leading UK group.

Some analysts suggested that this could be a prelimi-nary move towards a bid for one of the other UK brand name target companies - inevitably Cadbury Schweppes

name was mentioned. Sears attracted a huge traded option business and this, dealers said, was the trigger for another major turnover in the company's shares. More than 12m Sears changed hands in the latest display of break up/takeover speculation which drove the Sears share price up-to 145p price to a closing level of 144p, up 3 on the session, Among reports in the market

resort hotels, possibly the more profitable part, which are a better fit for existing businesses".

yesterday was one that a bid-consortium had lined up some \$23.3bn worth of finance to launch a takeover for the consortium had fined up some £3.3bn worth of finance to launch a takeover for the retailing group which would allow for an offer well in excess of 200p a share.

But there was also a certain amount of scepticism over the speculation. There's a lot of hype in this, everyone is said to be building a stake in Sears", said one trader. The

NEW HIGHS AND LOWS FOR 1988

CAMADIANS (1) Spiral Eng., SANCS (8)
ANZ, Quinass Mahon. Nat. Aust, Sank.
Wedpen, SURLDMASS (2) Duming Group,
Travis & Arnold, STOMES (3) Bustle (1)
"A", Quinas Mahon. Nat. Aust, Sank.
Licken Marchall Hidge.
ELECTRICALS (7) After, Cable & Wireless,
Cambridge Beed, Frijhna, Intrined Simon,
Lax Restriparation, Sony Co., EMBRESHIES
(2) Reneomes Sims., Tryssan, PODOS (5)
CREAT "A" NV. Sutherland, HOTELS (1)
Cuses Most. EMULTIFICALS (7) Saint (Mrs.),
C"boll & Arrantong, Liccola House,
Socurior (8). "A" NV. UDO Hoge., WanterHousey, Westman, MSURANCE (2) Liveoin
Nat., Trade Indomnity, LESURE (4) Capital
Radio, Midsumper Lois., Quadrant Grp.,
Type Toss. MEWSPARES (2) Hobsons
Publishing, Trinity Int'l. Hidge., PAPERS

PROPERTY (2) Stillngspate City Sec., Broadwell Land., Starwald (2) C.E.L. Corp. Gotses, 188818 (4) Argo Inve., Cambrian & Gen., Do. 73 pc. Com., Chryton Robert, OE.S. (2) Renger OR, Sun (UK) Royalts-18862. (3) Hill Miperals, Pro-

Al-Faved brothers already hold stake of around 10 per cent in Sears, and it has been widely rumoured that Hanson may have been picking up a hold-

The appointment of Mr Alan Bond as chairman of Dewey Warren, the insurance broker broker boosted Dewey shares 4 to 124p and prompted another wave of speculative buying in merchant bank Morgan Grenfell, where Dewey has a 5 per cent plus stake and Willis Faber, where Dewey is known to have a holding of around 3 per cent. Morgan shares, excep-tionally strong on Wednesday, jumped 6 more to 319p while

Willis Faber added 4 at 255p. Life assurances, marked up initially on the 5.5 per cent stake taken in Sun Life by Belgian insurance company Groupe AG, subsequently fell back before picking up towards the close. Sun Life, after com-ments by analysts that the Belgian stake should be regarded as an investment, settled 25 off at 1230p. Prudential, a Kleinwort Grieveson "buy", rose 3 to 165p on a turnover of 4.5m inflated by an incorrectly inputted 3.5m trade which

should have read 3,500 shares. Tamaris, the health care group, opened first-time deal-ings at 61p and improved to close at 65p. The company joined the main market through a complicated deal which involved the takeover of Lifecare International, a nurs-

ing homes operator. Overall conditions were relatively quiet, but once again Building issues produced several noteworthy movements. Amec took pride of place with a rise of 15 at 392p following the announcement of interim profits up from £13.1m to 222.2m, well in excess of mos market expectations. Copson's preliminary figures, however, the shares fell 9 to 162p. Barratt Developments came to life, rising 7 to 183p following a buy recommendation from

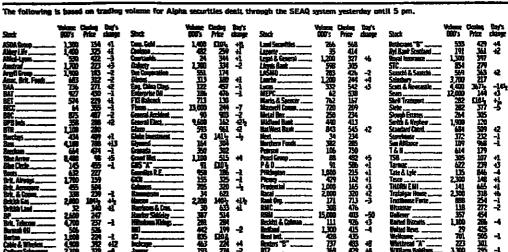
Cable & Wireless was the outstanding performer in the electronics sector and raced up to 396p at one point before closing a net 12 higher at 392p. Recent profits upgradings from several investment houses got C & W moving early on, but the main thrust for the stock came as the market became aware of rumours of the possible flotation of fast-growing telecoms Mercury. Turnover in C & W was just short of 5m.

house Tilney.

British Telecom ended the day a fraction off at 237p, hav-ing slipped to 235%p following the first-quarter figures which at £610m were in line with forecasts. The early fall in the shares was said to have reflected the sharp rise in numbers of employees at BT which prompted a cautious line from numerous analysts.

GEC, where almost 10m changed hands, hardened 2½

TRADING VOLUME IN MAJOR STOCKS



Camford were stimulated by news that Markheath Securities had acquired a 9.2 per cent stake in the group and advanced 12 to 190p.

Capital Radio replied even more strongly to a securities house buy recommendation, spurting 18 to 317p.

Dawson International slipped as Hoare Govett, the profit forecast to £48m because of concern over second-half trading prospects. The house cites the rising price of cashmere wool as particularly wor-

Apart from another, smaller bout of switching from the "old" to the "new" in BP there was little in the oil and gas sheet changes which some believed could presage a major acquisition in the UK food secmarket. BP "old held at 247p on turnover of only 2.7m while the new" were finally 52½ p on

turnover of 6.6m; from Monday the "new" will be quoted exdividend and second installment paid.

Cambrian & General Securi-

ties, renowned for the Ivan Boesky connection, went-higher still on publicity about the recent build-up of US share stakes. The US Treasury has the former Boesky shareholding but any proposal for liqui-

dation of the company's assets would have to await the outcome of current US litigation. "This could be a long drawn out affair", said a leading marketmaker.

Britannia Arrow edged better to 109p, the market having discounted the sharply lower interim profits because of the decline in unit trust activity post-Crash. Asset Trust were the only feature among miscellaneous financials, rising 7 to 88p after news that the Binladin family of Jeddah were the ultimate holders of a 22.5 per-

Turnover in Traded Options contracted substantially to 20,276 made up of 13,080 calls and 7196 puts. Sears were easily the most active issue in this market with 3,254 calls taken out and 137 puts. The calls comprised 1,116 in the September 120 series and 1,325 in the September 140 series. There were 137 puts in the stock. RHM showed 905 calls and 2,415 puts after the referral of

■ Other market statistics, including FT-Actuaries Share Index and London Traded Options, Page 30



Royal Insurance

INTERIM RESULTS

- A second quarter pre-tax profit of £99.0m (1987: £110.3m) produced a profit at the six months of £154.0m (1987: £158.1m). The half year result was adversely affected by £9.0m due to changes in exchange rates.
- Interim dividend increased by 15.2% to 9.5p per share. Shareholders will be given the opportunity to elect to receive fully paid ordinary shares instead of the interim cash dividend.
- A particularly strong performance by Royal UK where pre-tax profits increased from £16.2m to £60.2m.
- General insurance profits achieved by all the property casualty operating companies.
- Increased pre-tax earnings of £22.1m from Royal Life Holdings which now has interests in 747 estate agency offices.
- Substantial resources continue to be provided to the life and related financial services business to enhance further the development of a large and stable flow of earnings to the shareholders.



APPOINTMENTS Mr David G. Hardisty, managing director of Close Asset Finance, has also has company secretary with Lynton Property &

■ CNA REINSURANCE OF LONDON has appointed Mr Keith Milner and Mr Pister van Nek, head of the Amsterdam branch, as directors from September 1.

also joined the board.

BESSON, Hove, a division of Crystalate Electronics, has appointed Mr Rigel Butten as finance director. He was with Ripaults.

■ ALLIED LONDON PROPERTIES has appointed Mr James Edmund Lowe as company secretary. He was

Mr Peter Adderlay (below) has been appointed group manag-ing director of HOGGETT BOWERS, part of Blue Arrow.



Mr Ray Joy has been appointed finance director of WATNEY TRUMAN. He was director of financial analysis with Grand Metropolitan

GRANT THORNTON has appointed two partners — Mr Tim Beech (Birmingham) and Mr Stephen Foster (Glasgow).

M Mr Ray Rees has been appointed director of LSI LOGIC EXPORT, part of LSI Logic Europe, Bracknell. He has been with the company since its beginning.

■ SINCLAIR

INTERNATIONAL, Norwich, fruit labelling specialist, has apppointed Mr Jim Saunt as an executive director with responsibility for overseas market development. He was technical manager for Europe of the South African Co-operative Citrus Exchange.

M J.S. GADD & CO has appointed Mr Nicholas Mardon-Taylor as group finance director He was finance director of Carless, Capel & Leonard

TOP TAVERNS has appointed Mr Vincent ntain as finance director and company secretary. He was a pariner with Morgan Brown and Haynes, the company's auditors.



Mr Mike Rumball (above) has been appointed managing director of the P&O Group company ASHBY & HORNER GROUP, which incorporates three Ashby & Horner companies and Yeomans & Partners. He was head of the construction supplies division of Trafalgar House.

Mr Bernard Gunther has been appointed, from September 1, managing director of ROCHAS PERFUMES, where he was marketing and sales director. The company is the UK subsidiary of Parlums Rochas, Paris.

■ Mr Roger Littlewood, a director of WP Metals, has been elected chairman of the ALUMINIUM STOCKHOLDERS



Royal insurance

A full stanement for the interim results for 1988 (of which the above is an extract) will be mailed to all shareholders, and is also available from Corporate Relations, Royal Insurance Holdings plc, 1 Combill, London EC3V 3QR. Please send me a copy of Royal Insurance's interim statement.

NINT

■ WATERGLADE INTERNATIONAL HOLDINGS has appointed Mr Philip M. Ridal as financial controller and company secretary (director designate) for the company and its subsidiaries. He was group treasurer of John Mowlem & Co., and finance director of the property. development subsidiary,

TREBOR has appointed Mr Alan Skinner as UK sales director. He joins from Spearhead Marketing, where he held a similar post.

E CLOSE BROTHERS has appointed Mr Humphrey A. Lloyd and Mr David C. Pusinelli, corporate finance division, as executive directors.

COMMODITIES AND AGRICULTURE

Tokyo likely to admit foreign gold traders

FOREIGN GOLD-TRADING companies are likely to win admission to Tokyo Commodity Exchange for

industry this year. The exchange, trying to internationalise its business, is considering allowing foreign companies to become associate members. They could be trading gold on the exchange. Japan's leading commodity-futures market, early next

Yesterday the exchange said a final decision had not yet been taken but it was very likely admission-rules would

be changed.

The exchange's plans are supported by the Ministry of International Trade and Industry, which is keen to enhance the somewhat tarnished image of Japanese commodity exchanges.
The Toyota Shoji affair, in

which private investors lost money lodged with the Toyota Shoji trading company in 1985, still colours public views of commodity investment in

However, Tokyo Commodity Exchange has been increasing its prestige steadily, notably by attracting the full participation last year of Mitsui, Sumitomo and Nissho Iwai, three premier trading companies.

Several leading foreign companies have approached the exchange about member-

candidates are Credit Suisse, the Swiss bank, which says it is the only foreign company involved in the Japanese gold-

bullion market. Other leading bullion traders, gold-refiners and assayers might also put their

The Tokyo exchange started trading gold in 1982, followed by platinum two years later. Precious metals now account for about 80 per cent of its

\$100bn turnover.
Gold-trading has grown in recent years, in spite of the sluggishness of prices, because of the huge expansion of Japanese imports of metal for jewellery and for investment.
Gold turnover on the

exchange doubled last year to 2.16m tonnes. This could well be exceeded this year, with the figure for the first seven months of the year reaching 1.35m tonnes.

However, the exchange's growth has been hampered by the high level of commissions, at Y7,800 a kilogram (about 0.4 per cent at the current gold

Large-scale investors also worry about liquidity in the market, preferring to take positions in the bigger US

Leading gold-traders are Sumitomo, Mitsui, Marubeni, C. Itoh, Nichimen, all trading houses, and Tanaka Precious ship. Among possible Metals, a gold specialist

Grain estimates reduced again

By Richard Mooney

LONDON-BASED International Wheat Council has further cut its world grain-crop estimates in a special market report compiled to take account of this year's North American drought.

The biggest cut is for coarse grains. The 1988-89 world total s now put at 718.2m tonnes, down from 768.7m tonnes in its regular report published on July 6. That itself was 31.5m tonnes below the figure being

predicted a month earlier.
For wheat, the council now sees a 1988-89 crop of 508.2m tonnes, down from 509.3m on July 6 and compared with a 1987-88 harvest of 513.4m. Two months ago it had forecast a world total of nearly 520m

The cut in the coarse grains figure is almost entirely due to reduced US output prospects.

On July 6 the council estimate drought-reduced 23.5m tonnes for 1988-89 was cut by 32.5m in 1987-88.

tonnes to 185m tonnes. Now it is down to 133m tonnes. The forecast for Canadian coarse grains has been cut from 21,4m

tonnes to 19m tonnes.
The forecast for Canadian wheat output is reduced by a similar amount, from 20m tonnes last month to 17.5m tonnes, while the US figure has been cut by 1m tonnes to 49m. Dry weather has also caused a reduction in the Soviet crop estimate. This the council now puts at 214m tonnes, down 4m tonnes from the July report. However, its estimate for Soviet grain imports is unchanged at 26m tonnes.

Outside North America, forecasts for several countries have been raised. Following

EC doubles cod quota around Greenland

By William Dawkins in

THE European Community's cod-fishing quota for the waters around Greenland for this year has been almost doubled, from the initial 4,000 tonnes to 7,000 tonnes, the European Commission said

yesterday in Brussels.

This will be good news for the UK deep-sea fishing-fleet, which was forced to stop fishing in the region a month ago because it had used up its share of the old BC quota for this year. West Germany's North Sea fleet will be main beneficiary.

Traditionally, it takes the lion's share of the Community's Greenland cod quota, amounting to 3,075 tonnes of the initial 4,000tonne allocation, maining 925 tonnes going to Britain. A commission official said

the fishing region was the most valuable with which the EC negotiates quota accords. The change was made in agreement with Greenland after a regular scientific report in June showed the region's fish-stocks were higher than previously estimated.

The quota takes immediate effect, provisionally, and lasts until the year's end. It is expected to be formally ratified next month at the next meeting of EC finance

Acreage boost for Malaysian cocoa

AN ADDITIONAL 40,000 hectares of cocoa trees will boost Malaysia's harvest of beans in 1987-88 (ending September 30), to 215,000 tonnes, the US agricultural counsellor's office in Kuala Lumpur said, reports Reuter.

Output was 167,000 tonnes in 1986-87 when 34,000 ha of new plantations came into This year's higher output

will come mainly from the larger plantation area, an Malaysia, the largest cocoa producer after Brazil and Ivory Coast, has a total 324,000 ha of cocoa estates.

The counsellor's office estimated Malaysia would export 175,000 tonnes of cocoa ans in 1987-88, up from 135,000 tonnes in 1986-87. been quite good, thanks to favourable weather and the absence of pests which hit crops in previous years, the official said.

Close

Previous

un, 99.7% parity (5 per tonne)

Ekofisk gas development poses dilemmas

Karen Fossli on Phillips Petroleum's plans to boost North Sea output

D HILLIPS PETROLEUM Company Norway has plans which could bring a substantial boost to gas-recovery from the prolific Ekofisk fields, while posing difficult strategic questions about development plans for the Troll field.

The company is a Norwegian subsidiary of Phillips Petroleum, based in

Ekofisk, comprising seven fields, is the oldest producing province on the Norwegian continental shelf. Phillips and its partners began oil and gas production from the first field in 1971. The seven fields together now account for more than 40 per cent of Norwegian gas output and 25 per cent of oil production.

Phillips, because of the expected decline in oil output from the fields, implemented a secondary recovery programme in 1983, after a successful pilot Water injected into the lower

part of the northern two-thirds of the field should boost the amount of oil recoverable by more than 27m tonnes. Water injection started last year. Phillips, because of a second pilot-programme's success, decided last year to extend water-injection into the upper part of the reservoir and to expand water-flooding to the field's southern part. This is expected to boost recoverability by another 27m tonnes of oil-equivalent.

The water-injection programme, combined with nitrogen-injection into the reservoir, would almost double the quantities of gas available from the field from the

mid-1990s. Phillips is unlikely to decide on whether to implement the nitrogen injection programme before next year, after reservoir studies and investment analyses of the scheme are completed.

SOUTH-EAST ASIAN Petroleum oil-producers meet in Bali Committees. tomorrow to try to co-ordinate policy at a time of uncertain crude prices, writes John Murray Brown in Jakarta.

The meeting between the ergy ministers of Indo Malaysis and Brunei is part of wider co-operation between the countries of the Association of South-east Asian Nations, leading producers of crude oil, rubber, tin and paim oil.
Indonesia is by far the

largest oil-producer in the group, with output of 1.2m barrels a day, under its agreed quota with the Organisation of

Phillips sells Ekofisk gas to a consortium on the European continent comprising Ruhrgas of West Germany, Gasunie of The Netherlands and Gaz de France. The gas is transported through the Norpipe pipeline, operated by Phillips, and landed at Emden, West Germany.

It was initially estimated that gas deliveries would fail to between 500m cu ft and 600m cu ft a day by the mid-1990s, from the current rate of about ibn cu ft.

Delivery quantities are nominated by the operator 18 months in advance of the start of the delivery year. However, buyers, to ensure deliveries to customers, must plan much further ahead, usually between three and five years. Therefore, if Phillips wanted to double deliveries to customers it may cause problems.

Phillips's customers are also gas-customers of the Statoll-headed group. This last year contracted to supply gas from Sleipner field in 1993 and Troll field from 1996, to meet their gas requirements after Ekofisk field gas-output declines. Statoil's deal calls for gas

from Sleipner, to be moved

Mr Ginandjar Kartasasmita, indonesia's Energy Minister. this week said the meeting would look at ways to set up a

co-ordinating forum. Last year Indonesia proposed to help co-ordinate supply within Asean but without success. Indonesia is committed to

sell about half its crude output and more than 80 per cent of its gas to Japan, and is rejuctant to lose market-share at a time Opec and non-Opec countries are using discounts ggressively. This is the latest bid by

through Norpipe from 1993, to be landed at Emden. Statoil plans to build a separate pipeline, Zeepipe, to move gas from Sleipner and Troli which would operate from 1993, but it agreed to supply Ruhrgas and Gasunie

through Norpipe for convenience of distribution by se customers. Other customers in the deal - France, Belgium, Italy, Spain and Austria - will receive gas through the new pipeline which will be landed

at Zeebrugge, Belgium. Norpipe has a daily through-put capacity of about 2.15n cu ft to 2.2bn cn ft. If Phillips boosts deliveries in the mid-1990s there is the potential danger of over-use of the line, because it also moves gas from Statoil's Statfjord field and BP's Ula field.

So Statoil could find itself unable to use Norpipe for deliveries of Sleipner gas to West German and Dutch

Phillips, as Norpipe's operator, would probably claim priority to deliver Ekofisk gas. The potential to raise gas recoverability from Ekotisk also begs the question of

Exporting Asean to forge a common stance on various commodi ties. In 1986 Indonesia and Malaysia were party to an output rationalisation scheme agreed by the eight-nation Association of Tin Producing

Countries.

The pact has helped raise prices to highest levels since the collapse of the International Tin Council activities in price-support activities in

1985.
In June, Dr Mahathir Mohammed, Malaysia's Prime Minister, urged further joint action. Malaysia is already restraining its crude oil output in support of Opec.

whether it is necessary to develop Troll under the present timetable, if extra volumes of gas can be provided under the existing Ekofisk contract.

The Ekofisk gas-sales contract is a field contract, meaning buyers are obliged to take delivery of all the gas Phillips can take from the

On the other hand, the Sleipner-Troll gas saies contract is binding under the present development schedule and is specific to the Sieipner and Troll fields.

However, the Norwegian Government, which owns a direct 62.636 per cent stake in Troll - but because of the texation scheme is actually taking about 90 per cent of the risk - could be tempted to postpone development of the field, until gas prices rise. This would appear an

attractive option for the Government, which is struggling to revive an economy almost totally dependent on oil and gas revenue and bit hard by low oil mrices in recent years. However, it remains to be seen how enticing the prospect

of extra quantities of Exclick gas is for continental buyers whose contract with Positipe Exofiak gas is priced slightly

expires in 1999. higher than Sleipner-Troil gia. Clients have the option of renewing the contract, allowing it to continue without

renegotiation or cancelling it. renegotiation or caucalling it.

However, questions reised by
extra volumes of Exotiat gascan only be answered by
buyers, who will have to assent
the economics of Shotiat gas
as against supply from
Shipper and Troil.

While buyers have no While buyers have no

tochnical grounds on which to question extra supply of Ekofisk gas, they have yet to exercise options for extra supplies written into the Sleipner-Troil gas sales

The buyers, because of the potential for extra pas supply from Ekofish, are not likely see the need to exercise the

options.
The dilemma is beightened by the suggestion that development of Sleipner and Troll may create a situation which could obstruct development of other Norwegian fields.

It has been suggested that a

clause in the Sielpuer-Trail contract will not allow other Norwegian gas to be sold to any other buyers at a price descutting that of Sleipner-

Troll gas.
It will therefore be difficult to develop new oil and condensate fields which require gas to be sold to a market saturated with sales at

market saturated with sales at the present pricing level. Therefore, the Norwegian Government, to fill the same gas-contract volumes, may have to weigh the merits of developing fields which have high front-end investment costs, rather than developing many small fields with condensate liquid and gas output combined.

CORRECTION

European Community farm support prices

IN AN article published on August 12 it was suggested that the prices the European Community guarantees to its farmers were 150 per cent higher on average than those pertaining on world markets, writes Bridget Bloom.

The figures were taken from table compiled by Britain's Ministry of Agriculture and were mistakenly interpreted by comparing the notional world price for 11 commodities with the EC's threshold price.

The threshold price is, of course, the barrier price which imports from third countries have to pay in order to enter Community markets. It is thus a guide to the degree of protection offered to For example, at the turn of and other non-market arrange-Community producers against this year, according to the ments characterising world

Threshold prices, particularly for grains, are currently considerably above the levels of prices paid to Community

The principal way of calculating farmers' prices is to take the so-called buying-in price. This is the "safety-net" price at which member-states are obliged to buy in, via their intervention agencies, commodities supported by the Common Agricultural Policy. This buying in price can —

with certain reservations, pay producer taxes on some farm-gate prices - then be compared with the world price.

US MARKETS

THE SOYABEAN complex was

wheat underwent slight technical corrections, reports Drexel Burnham

marginally under pressure from light long-liquidation, while both maize and

Lambert. Cattle and hogs were both firm in response to steady cash prices, while bellies closed sharply higher as

demand firmed cash prices. The precious metals closed slightly higher reflecting a weaker U.S. dollar. Coppe was active, closing sharply higher as

fund and speculative buying took prices through major resistance levels

Coffee railied sharply as trade and technical buying touched off commission house stops. Sugar was

quiet, firming on trade buying, while

cocoa rose on technical short-covering The energy complex continued to trade

WORLD COMMODITIES PRICES

(Prices supplied by Amalgamated Metal Trading)

AM Official Kerb close Open Interest

Ring turnover 5,775 tonne

the threshold price for common or feed wheat was £173 a tonne, and the notional

world price was £51 a tonne. However, the buying in price offered by the Intervention Board at that time was averaging £112 a tonne, suggesting farmers, even allowing for producer taxes, were receiving rather more than double the notional world

Officials point out that the figures for notional world prices must be treated with are very difficult to determine with any accuracy given the high degree of subsidisation

That said the gap between such world prices and the EC-supported wheat price has narrowed substantially over the past six months, largely due to a rise in world prices following the US drought. It is now about 10 per cent to 15 per cent, depending on quality of the wheat concerned.

The gap between the prices of most other EC-supported commodities and the notional world prices remains more

For example, the threshold price for butter was £2,336 a tonne last month, compared with a buying-in price of up to £1,959 a tonne and a notional

world price of £641 a tonne.

CRUDE Oil. (Light) 42,000 US galls S/barrel

15.47 15.66

15,73

Record sugar output forecast

RECORD WORLD sugar output of 107.1m tonnes is forecast for 1988-89 (September August) in the first estimate for that season by C. Czarnkow, the London broker, our smodities Staff writes.

That would be a 2.8m tonnes rise on the 1967-88 figure, now put at 104,27m tonnes, but with world consumption projected to rise from 107.4m tonnes to 1089m it would still mean a substantial further cut in

Czarnikow says in its "Already some producers can be seen to be responding to the higher prices which were reached for a short time this

Chicago

SOYABEANS 5,000 bu min; cente/50th bushel

Close Previous High/Low

LONDON MARKETS

ZINC PRICES moved ahead again on the London Metal Exchange after dealers had digested Wednesday's news that the Peruvian miners' strike was over, and the expected announcements of European producer price rises from \$1,200 to \$1,275 following Metaligesellschaft's lead. Buying interest emerged ahead of the US mint tender for 3.5m ib of high grade zinc, and further gains were registered after it became known that offers to the mint were at higher price than had been expected. The cash LM price closed £8 up at £794 a tonne. Copper prices showed further signs of supply concern with the cash poisition gaining another £32.50 to £1,298.50 a tonne and widening its premium over three months metal from £6.50 to £13 lonne. Coffee prices were firm

SPOT MARKETS			Raw	Close	Previous	High/Low	
Crode oil (per berrel FOB S	ieptember)	+ or -	Oct	239.00	230.00	240.00 229.40	
zubel-	\$13.20-3.25q	+0.05	Dec	235.60	225.00	227.00	
rent Stend	\$14.90-4.97y		Mar	226,40	220.00	228.40 220.40	
/.T.L. (1 pm est)	\$15.60-5.65y		May	221.80	217.00	223.00 218.00	
	-	- 0.10	Aug	220.00	220.00	221.00 215.00	
Al products			Oct	219.00	215.00	217.00 213.00	
IME prompt delivery per	tonne CVF)	_	•••	Z.10,00	_10.00	Ellas Ellas	
		+ or -	White	Close	Previous	High/Low	•
remium Gasoline	\$170-173	+ 1,5			250.00		_
es Oi	\$129-131	+1	Oct	257.00		255.60 248.50	
eavy Fuel Oil	\$69-70	+0.5	Dec	255.00	254.00		
laphtha	\$136-138	+2	Mar	256.00	249.00	267,00 246.50	
Petroleum Argus Estimates	ľ		May	256.00	251.00	256.00 253.00	
Other		+ or -	Aug	256.00	251.00	258.60 254.00	_
lold (per troy c2)	\$431.26	+3.00				lots of 50 tonn	×
liver (per troy oz)	667c	+7		1859 (2752 Maio 1775		A 4840 Pa 48	
Hatinum (per troy oz)	\$532.35	-4.60				Oct 1640, Dec 16	æ
Palladium (per troy oz)	\$122.90	+0.65	Mar 16	30, May 1	635, Aug 10	535 Oct 1640	
Vuminium (free market)	\$2695	-50	GAS OF	L \$/tonne	_		
copper (US Producer)	101-103c	-0.31		Close	Previous	High/Low	
sad (US Producer)	36c		Sep	131,50	131.25	132,00 130.50	_
ickel (free market)	660c	+10	Oct	134.25	133.75	134.50 133.25	
in (European free market)		+7.5	Nov	135.25	136.00	138.50 135.75	
in (Kuala Lumpur market)	19.38r	+0.05	Dec	138.00	138.00	138.00 137.75	
in (New York)	343.750	+0.75	Feb	133.75	133.00	133.75	
Inc (Euro. Prod. Price)	\$1275	÷75	- 02		A.C.C.	199.70	_
nc (US Prime Western)	65 % c		Turnove	er 1489 (1	374) iota of	100 tonnes	
attie (live weight)†	113.36p	-2.84					_
heep (dead weight)† igs (live weight)†	160.75p	-27.2*	GRAINE	Efformé			
	67.73p	-1.43°	Wheat	Close	Previous	High/Low	
.ondon deliy sugar (raw) .ondon deliy sugar (white)	\$275.0a	-8.6 -8.5	Sep	106.25	105.75	T06.25 108.10	
			Nov	109.40	109.00	109.60 109.25	
ate and Lyle export price	12/20	-2.5	Jan	112.50	112.10	112.55 112.10	
ariev (English feed)	£102	+0.5	Mar	115.20	114.75	115.20 114.90	
(us No. 3 yellow)	£140x		May	117.95	117.60	118.00 117.90	
nest (US Dark Northern)	£120.25×	+1.0	Berley	Close	Previous	High/Low	_
ubber (spot)♥	72.00a	+0.50					
ubber (Sep) *	78.00p	+0.50	Şep	101.35	101.70	101.40 101.20	
noper (Oct) A	78.250	+0.50	Nov	104.55	104.85	104.85 104.50	
Nubber (KL RSS No 1 Sep)		-0.5	Jen	107.70	107.90	107.90 107.60	
		~~	Mar	108.90	110.10	110.10 108.80	
100 N2 1 40p)	U-10101A						
	\$555x	+5	May	111.90	112.00	111.90	
oconut oil (Philippines)§	\$555x			111.90			_
oconut oil (Philippines)§ alm Oil (Maleyslan)§	\$555x \$440	+5	Turnove	111.90 r: Wheat	246 (250) ,	Sarley 127 (109)	
occurst oil (Philippines)§ alm Oil (Malayslan)§ opra (Philippines)§	\$555x \$440 \$420	-5 ⁻	Turnove	111.90 r: Wheat		Sarley 127 (109)	•
popul oil (Philippines) ulm Oil (Malayslan) opra (Philippines) oyabeans (US)	\$555x \$440 \$420 \$210	-5 +3	Turnove	111.90 IT: Wheat IF lots of 1	246 (259) , 100 tonnes.	Sarley 127 (109)	-
oconut oil (Philippines) alm Oil (Malayalan) opra (Philippines) oyabeans (US) otton "A" index	\$555x \$440 \$420	-5 ⁻	Turnove	111.90 r: Wheat	246 (259) , 100 tonnes.	Sarley 127 (109)	- -

Le symme uniess curerwise satisti. p-pencentg.
c-centarib. f-ringgiffig. y-Sep. q-Oct. w-Sep/Oct.
x-Aug/Sep. a-Sep/Oct. TMest Commission average testack prices. "change from a week ago.
Turndon physical market. SCIF Roterdam.

coco	E/tonne		
	Close	Previous	High/Low
Sep	899	893	900 889
Dec	883	880	888 676
Mar	875	875 885	880 870
May Jul	884 900	239	888 881 901 896
Sep	917	916	917 915
Dec	957	956	957 952
Turnow	er: 2931 /	8954) lots o	f 10 tonnes
ICCO I	ndicator	prices (SOF	ts per tonne). Daily
price to age for	or Aug 18 r Aug 18:	1113.10 (1 1144.75 (11	ts per tonne). Dail 104.06) :10 day aver 53.06) .
	E €tonne		
	Close	Previous	High/Low .
Sep	1016	998	1025 1000
Nov	1030 1025	1010 1014	1040 1014 1032 1012
Jan Mar	1000	1014	1025 1012
May	1007	1005	1021 1005
Jly	1012	1013	1019 1012
Turnov	er: 4602 i	4685) lots o	f 5 tonnes
ICCO I	ndicator p	rices (US	f 5 tonnes cents per pound) to (106.85); . 15 day
Aug 17	7:Comp. o e 105.43 (Jally 106.35	(106.85); . 15 dag
averag	e 105.43 (105.68].	
SUGAI	R (S per lo	nne)	
Row	Close	Previous	High/Low
Oct	239.00	230.00	240.00 229.40
Dec	235.60	225.00	227.00
Mer	.226.40	220.00	228.40 220.40
May	221.80	217.00	223.00 218.00
Aug Oct	220.00 219.00	220.00 215.00	221.00 215.00 217.00 213.00
-	C 18.UV	210.00	-11.30 E 3.00
White	Close	Previous	High/Low
Oct	257.00	250.00	255.60 248.50
Dec	255.00	254.00	
Mar	256.00 256.00	249.00 251.00	267,00 246.50 256.00 253.00
May	256.00 256.00	251.00 251.00	
Aug			258.80 254.00
Turnov	Br. Raw !	5798 (48 7 0)	lots of 50 tonnes.
winte 1 Parle, 4	1859 (2752 White (EE)	rer toppeb	Ord 1840 Day 1895
Mar 16	30, May 1	635, Aug 16	Oct 1640, Dec 1635 R85 Oct 1640
CAS OF	L \$/tonne		
	Close	Previous	High/Low
Sep	131,50	131.25	
sep Oct	134.25	133.75	132.00 130.50 134.50 133.25
Nov	135.25	138.00	138.50 135.75
Dec	138.00	138.00	138.00 137.75
		130.00	
Feb	133.75	133.00	133.75
Feb		133.00	133.75 100 tonnes
Feb Turnove	er 1489 (1	133.00	133.75
Feb Turnove BRAINE	r 1489 (1 Eltonne	133.00 374) iota of	133.75 100 tonnes
Feb Turnove BRAINE Wheel	E/tonne Close	133.00 374) iots of Previous	133.75 100 tonnes
Feb Turnove BRAINE Most Bep	E/tonne Close 106.26	133.00 374) iots of Previous 105.75	133.75 100 tonnes High/Low 106.25 108.10
Feb Turnove BRAINE Wheel Bep Nov	E/tonne Close 106.25 109.40	133.00 374) lots of Previous 105.75 109.00	733.75 100 tonnes High/Low 106.25 108.10 109.50 109.25
Feb Turnove GRAINE Wheet Sep Nov Jan Mar	E/torne Close 106.25 109.40 112.50	133.00 374) lots of Previous 105.75 109.00	733.75 700 tonnes High/Low T06.25 108.10 109.60 109.25 112.55 112.10 153.20 114.80
Feb Turnove BRAINE Wheel Sep Nov	E/tonne Close 106.25 109.40	133.00 374) iots of Previous 105.75	133.75 100 tonnes High/Low 106.25 108.10
Feb Yurnove BRAINE Wheel Bep Nov fan Mar May	E/tonne Close 106.25 109.40 112.50 116.20	133.00 374) iots of Previous 105.75 109.00 112.10 114.75	733.75 700 tonnes High/Low T06.25 108.10 109.60 109.25 112.55 112.10 153.20 114.80
Feb Turnove BRAINS Med Sep Nov Jan May Sarley	Eftonné Close 106.25 109.40 112.50 117.95 Close	133.00 374) lots of Previous 105.75 109.00 112.10 114.75 117.60 Previous	733.75 700 tonnes High/Low T06.25 108.10 109.60 109.25 112.55 112.10 115.20 114.80 116.00 117.50 High/Low
Feb Turnove GRAINE Wheet Sep Nov Jan Mar	E/tonné Close 106.26 109.40 112.50 116.20 117.95	133.00 374) iots of Previous 105.75 100.00 112.10 114.75 117.60	733.75 700 tonnes High/Low 708.25 108.10 109.50 109.25 112.55 112.10 118.20 114.90 118.00 117.90 High/Low 101.40 101.20
Turnove RANS RANS Rheet Sep Nov Ian May Serioy Sep Nov	Close 109.25 109.40 112.50 115.20 117.25 Close 101.35 104.55 107.70	133.00 374) iota of Previous 105.75 109.00 112.10 114.75 117.60 Previous 101.70 104.85 107.90	High/Low 108.25 108.10 109.50 109.25 112.55 112.10 115.20 114.90 116.00 117.90 High/Low 101.40 101.20 104.85 104.50 107.90 107.60
Turnove Turnove BRAINS Wheel Sep Vov Jan May Sep Vov	Etonne Close 106.25 109.40 112.50 115.20 117.95 Close	133.00 374) iots of Previous 105.75 109.00 112.10 114.75 117.60 Previous 101.70 104.85	733.75 100 tonnes High/Low 108.25 108.10 109.60 109.25 112.55 112.10 115.20 114.90 118.00 117.50 High/Low 101.4.0 101.20 104.85 104.50

65.0

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Oct Dec Turnover FREIGHT Aug Sep Oct Jen Apr BFI
Cut Dec Turnover FREIGHT Aug Sep Out Jan Apr BFI Turnover
Oct Dec Turnover FREIGHT Aug Sop Oct Jan Apr BFI Turnover English
Oct. Dec Turnover FREIGHT Aug Sep Oct. Jan Apr BFI Turnover

3 monti	ns 1245	- 50	1220-5	
Silver (US cente	fine ounc	*)	
Cash 3 monti	· 663-0		657-6 671-2	
Lead (£	per tonn	9)		
Cash 3 monti	349-(ns 354-(351-2 356-7	348 358
Mickel (\$ per ton	ne)		
Cash S monti		0-900 0-4050	14700-900 13950-4000	1500 1411
Zinc (£	per tonne			
Cesh 3 monti	799-6 14 781.5		785-7 773-4	789/ 790/
SOYABI	EAN MEA	L £/tonne		
	Close	Previou		,
Oct Dec	174.00 182.50	175.00 183.50	175.00 17 184.00 18	
Turnove	r 73 (180) lots of	20 tonnes,	
FREIGH	r FUTUR	E\$ \$10/Inc	dex point	
	Close	Previou	s High/Low	,
Aug Sep Oct Jan	1270 1397 1470 1510	1257 1380 1474 1508	1272 1280 1406 1380 1495 1470 1520 1500)
Apr BFI	1545 1240	1538 1215	1550 1540	3
Turnove	r 359 (21-	0		
English availati first ho the shr Thomp from C increa are su 90p-£1. 15-25p, remain prices and ca tomate prices 40-75p.	n Discoversia at 30-2	50p a lb (: 1 Victoria 1 Victoria 1 Victoria Sultana s 6 Greece ities, 40-4 -1.20), Ne a 40-90p, ame price es 9-12p, 2p are al module 16 es 25-50; es 25-50;	is are now with a second of the second of th	to the tow in the tow

Cash 3 months	2770-80 2730-50	2740-80 2710-30	2725/2720	2690-700 2700-10	2730-80	8.427 lots
Akenblus	,99.5% purity	(£ per tonne)			Ring turn	over 26,625 tonn
Cash 3 months	1575-80 1505-7	1572-7 1514-6	1530/1525 1510/1468	1525-30 1476-7	1507-9	45,070 lots
Copper, G	rede A (£ per	tonne)			Ring turn	over 28,600 tonn
Cash 3 months	1298-9 1285-6	1265-7 1259-60	1290/1287 1290/1275	1288-90 1277-8	1288-9	61,719 lots
Copper, Si	andard (£ per	tonne)			Ring	turnover 0 tono
Cash 3 months	1245-50 1245-50	1220-8 1220-5		1235-40 1235-40		33 lots
Silver (US	cents/fine our	ice)			RI	ng turnover 0 oz
Cash 3 months	· 663-6 676-9	657-8 671-2		663-6 676-9	680-6	531 lots.
Lead (É pa	r tonne)		-		Ring tur	nover 7,800 tonn
Cash 3 months	349-61 354-6	351-2 356-7	348 358/350	348-9 352-3		2,580 lots
Nickel (\$ p	er tonne)				Ring tur	nover 1,080 tonne
Cash 3 months	14800-900 13860-4050	14700-900 13950-4000	15000/14900 14150/18950	14990-5000 13950-4000	13850-950	6,040 lots
Zinc (£ per	r tonne)				Ring tur	nover 8,850 tonne
	799-6	785-7	789/788.5	788-9		

Coins	\$ price		ε.	Chias	i e nt
Maplelesi	444-449			-254	
Britannia	444-449			-264	
US Eagle	444-449 442-447			-264 -263	
Angel Kragerrand	430-433			-255	
New Sov.	101-102			59¥	
Old Sav.	101-1021		59-		
Noble Plat	542.05-5	48.35	320	323	<u> </u>
Silver fix	p/fine 0;	Z	ÜS	ets e	dnjA
Spot	390.85			185	
3 months	402.10			.30 1.75	
6 months 12 months	413.30 434.70			.25	
iz monuta	404.70		12	200	
LONDON ME	TAL EDIG	LANGE	TRAI	XED (PTROMS
LOngon alia Alambahan (9			TRAI		Puis.
	9.7%)	Ca	ds		
Altophium (9	9.7%)	Ca	ds		Puta
Alemanium (9 Strike price 1 2550 2700	9.7%)	Ca	lls Nov 258 181		Puts. 1 Nov 78 139
Alembrium (9 Strike price 1 2550	9.7%)	Ca	ils Nov 258		Puta. Nov 78
Alemanium (9 Strike price 1 2550 2700	9.7%) tonne	Ca	Nov 268 181 116	Sep	Puts. 1 Nov 78 139
Alembrium (9 Strike price 9 2550 2700 2850 Alleminium (1 2500	9.7%) tonne	Ca Sept	Nov 268 181 116	Sep	Puts. 1 Nov 78 139 222
Alteralistum (9 Strike price 9 2550 2750 2850 Alteralistum (1 2500 2650	9.7%) tonne	Ca Sept Ca 206 102	Nov 268 181 116	Sep 20 87	Puts. 1 Nov 78 139 222
Alembrium (9 Strike price 9 2550 2700 2850 Alleminium (1 2500	9.7%) tonne	Ca Sept Ca 206	Nov 268 181 116	Sep	Puts. 1 Nov 78 139 222
Alteralistum (9 Strike price 9 2550 2750 2850 Alteralistum (1 2500 2650	9.7%) tonne 29.6%)	Ca Sept Ca 206 102	Nov 268 181 116	Sep 20 87 154	Puts. 1 Nov 78 139 222
Aleminium (9 Strike price \$ 2550 2700 2850 Aleminium (1 2500 2650 2800	9.7%) tonne 29.6%)	Ca Sept Ca 205 102 40	Nov 268 181 116	Sep 20 87 154	Puts. 1 Nov 78 139 222 Puts

Close 431-431 2 Opening 429 4-429 Morning fix 430.20 Afternoon fix 430.55

432-432¹2 429¹4-429

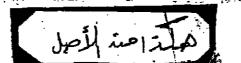
within a narrow range, aithough to the tightness of supply in the U.S. **New York** GOLD 100 troy az.; Stroy az Close Previous High/Low 431.0 432.8 435.1 440.9 446.9 452.9 456.9 470.9 432.5 433.5 436.3 442.1 448.3 450.3 486.4 472.4 PLATINUM 50 troy OZ \$/troy OZ. Close Previous High/Low

ul.	553.9	549.5	9	0
)ct	561.4	557.0	9	<u> </u>
Z,VE	IR 5,000 to	oy oz; centi	vitroy oz.	
	Close	Previous	High/Low	
499	667.5	864.7	9	0
ep.	890.D	666.5	672. 5	864.0
ct	674.5	672.0	0	6
95	554.5	682.4	686.5	0.000
	690.1	667.7	0	0
le:	700.0	698.5	706.0	0.899
tay .	711.6	709.2	Q	0
uł	723.0	720.6	727.0	721.0
90	734.2	731.8	736.0	738.0
ec .	751,1	748.7	0	0
OPP	ER 25,000	lbs; cents/l	D4	
QPP	ER 25,000 Close	ibs; cents/i Previous	be High/Low	
	Close			0
Ug		Previous	High/Low Q \$7.70	0 96.00
0g 60	Close 97.25	Previous 94.30	High/Low 0 97.70 0	96.00 Q
60 60 다	97.25 97.25	Previous 94.30 94.30 \$3.35 91.50	High/Low 0 97,70 0 96,00	95.00 0 92.10
OPP	97.25 97.25 97.25 98.55	Previous \$4.30 \$4.30 \$3.35	High/Low 0 97,70 0 96,00	95.00 Q 92.10 0
OP Ct OC OC	97.25 97.25 97.25 96.55 96.55	94.30 94.30 94.30 93.35 91.60 90.80 88.80	High/Low 97,70 0 96,00 ú 92,50	96.00 0 92.10 0 89.90
ec ec ec	97.25 97.25 97.25 96.55 95.05 93.90 91.60 89.90	Previous 94.30 94.30 93.35 91.60 90.80 88.80 87.60	High/Low 97,70 0 96,00 0 92,50	95.00 Q 92.10 0 89.90 Q
OP Ct OC OC	97.25 97.25 97.25 96.55 96.95 93.90 91.60	Previous 84.50 94.30 \$3.35 91.50 90.80 88.80 87.50 86.40	High/Low 97.70 0 98.00 0 92.50 0 89.00	85.00 Q 92.10 0 89.90 Q 87.40
ec ec ec	97.25 97.25 97.25 96.55 95.05 93.90 91.60 89.90	Previous 94.30 94.30 94.35 91.50 90.80 84.80 87.50 85.40	High/Low 97.70 0 166.00 1 92.50 0 89.00 86.00	85.00 Q 92.10 0 89.90 Q 87.40 85.80
ep ct en er	97.25 97.25 96.35 96.35 95.05 93.90 97.80 89.90 88.35	Previous 84.50 94.30 \$3.35 91.50 90.80 88.80 87.50 86.40	High/Low 97.70 0 98.00 0 92.50 0 89.00	85.00 Q 92.10 0 89.90 Q 87.40
op oct oc or or op	97-25 97-25 96-55 96-55 93-90 91-80 98-90 98-35 87-20	Previous 94.30 94.30 94.35 91.50 90.80 84.80 87.50 85.40	High/Low 97.70 0 166.00 1 92.50 0 89.00 86.00	85.00 Q 92.10 0 89.90 Q 87.40 85.80
op oct oc or or op	97-25 97-25 96-55 96-55 93-90 91-80 98-90 98-35 87-20	Previous 94.30 94.30 94.35 91.50 90.80 84.80 87.50 85.40	High/Low 97.70 0 166.00 1 92.50 0 89.00 86.00	85.00 Q 92.10 0 89.90 Q 87.40 85.80

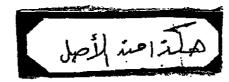
Nov							
Dec	15.83 15.93	15.78 15.93	· 15,94 16,08	15.51 15.90	Aug	861/0	877/0
Jan	16.01	16.01	16.17	15.97	Sep	883/2 892/2	884/0 892/0
Feb Mar	16.00 16.05	16.05 16.08	18,16 . 78,17	16.00 16.06	Jan	889/6	891/0
Apr	18.02	16.11	18.19	16.02	Mar	885/4	886/4
May	16.25	16,14	16.25	16.25	May Jul	869/0 857/4	871/4 860/0
Jun	16.23	16.17	16.23	18.23	AUg	825/0	828/0
HEAT	TING OIL	5000 na	galla, centa	ملاغو 10%	SOYA	BEAN OIL	60,000 fbs
_	Latest	Previou	a High/Lo	w		Close	Previous
Sep	4405	4393	4440	4400	ᄴ	27.20	27.50
Oct Nov	4465 4545	4453 4531	4500 4570	4485 4535	Sep	27.06	27.47
Dec	4615	4591	4645	4805	Oct Dec	27.35 27.75	27.80
Jen Feb	4650 4610	4626 4591	4675	4640	Jen	28.01	28.22 28.50
Mar	4505	4148	4650 4505	4610 4500	Mag	28.60	28.75
Apr	4350	4321	4375	4350	May Jul	28.66 28.20	28.95 28.32
May	4290	4236	4290	4290			
COC	DA 10 tons	198;\$/tonn	9 8		SOYA	BEAN ME	AL, 100 tons
	Close	Previou	s High/Lo	w		Close	Previous
Sep	1352	1331	1356	1340	Aug	277.2	277,5
Dec	1390 1362	1370 1377	1391 1394	1375	Sep Oct	274.2	274.2
May	1406	1382	1405	1360 1366	Dec	272.2 270.7	271.7 270.5
المال	1425	1414	1425	1416	Jan	266.7	265.5
Sep	1454 14 0 3	1441 1478	1454 1493	1452 1482	Mar . May	260,5 257,0	258.0 254.5
_		,500fbs; c		1402	· Jul	251.5	250.5
	Close	Previou			MALZ	5.000 bu	min; cents
Sep	122.00	718.17				Close	Previous
Dec	123.88	120.62	122.50 124.15	118.50	Sep	267/6	284/6
Mar	123.02	120.59	123.50	121.30	Dec	298/6	294/4
May Jul	122.90 123.25	120.45 119.85	122.90 122.60	121.50 120.90	May	300/6 301/2	299/2 300/2
Sep	120.50	117.85	٥	0	.Dul	297/0	296/2
Dec	119,25	116.63	0	0	Sep	280/4 286/6	261/4
2007		"H" 112	,000 lbs; ca	nts/iba			268/6
	Ciose	Previous	High/Los	,	WHEA	7 5,000 bu	
Oct	10.18	9.86	10.34	10,04		Closs	Previous
Jan Mar		9.86 8.75-	10.34 9.90	10,04 9,12	Sao	Closs 302/2	Previous 390/2
Jan Mar May	10.18 9.18 9.94 9.72	9.85 8.75- 9.84 9,41	10.34 9.90 10.04 9.75	10,04 9,12 9,75 9,56	Sap Occ Mar	392/2 406/0 407/8	Previous
Jan Mar	10.18 9.18 9.94 9.72 9.63	9.86 8.75- 9.64 9.41 9.31	10.34 9.90 10.04 9.75 9.65	10,04 9,12 9,75 9,56 9,46	Sap Oec Mar May	Ciose 392/2 406/0 407/6 383/2	990/2 402/6 403/4 379/4
Jan Mar May Jul Oct	10.18 9.18 9.94 9.72 9.63 9.56	9.85 8.75- 9.64 9.41 9.31 9.25	70.34 9.90 10.04 9.75 9.65 9.80	10,04 9,12 9,75 9,56	Sap Occ Mar May Jul	Closes 392/2 405/0 407/5 363/2 355/2	Previous 390/2 402/6 403/4 379/4 353/0
Jan Mar May Jul Oct	10.18 9.18 9.94 9.72 9.63 9.56	9.85 8.75- 9.64 9.41 9.31 9.25	10.34 9.90 10.04 9.75 9.65 9.60	10,04 9,12 9,75 9,58 9,46 9,36	Sap Occ Mar May Jul	Closes 392/2 405/0 407/5 363/2 355/2	Previous 390/2 402/6 403/4 379/4 353/0
Jan Mar May Jul Oct	10.18 9.18 9.94 9.72 9.63 9.56 ON 50,000 Close	9.85 8.75- 9.64 9.41 9.31 9.25 cents/lbs	10.34 9.90 10.04 9.75 9.65 9.80	10.04 9.12 9.75 9.88 9.46 9.36	Sap Occ Mar May Jul	Closes 392/2 405/0 407/5 363/2 355/2	Previous 390/2 402/6 403/4 379/4 353/0
Jan Mar May Jul Oct	10.18 9.18 9.94 9.72 9.63 9.56	9.85 8.75- 9.64 9.41 9.31 9.25 conts/lbs	10.34 9.90 10.04 9.75 9.65 9.50	19.04 9.12 9.75 9.56 9.36 9.36	Sup One Mer May Jul	Close \$92/2 406/0 407/6 383/2 355/2	990/2 402/8 402/8 403/4 379/4 353/0 1,000 iba; or Previous
Jan Mar May Jul Oct COTT Oct Dec Mar	10.18 9.18 9.94 9.72 9.63 8.56 ON 50,000 Ciose 53.52 51.56 51.65	9.95 8.75- 9.64 8.41 9.25 conts/lbs Previous 52.90 51.02 57.29	10.34 9.90 10.04 9.75 9.85 9.80 1 High/Lou 53.85 51.86 52.00	10.04 9.12 9.75 9.88 9.46 9.36	Sap One Mar May Jul Live (Closs 392/2 405/0 407/5 383/2 385/2 Close 71.22 72.25	Previous 390/2 402/6 403/4 379/4 353/0
Jan Mar May Jul Oct COTT Oct Dec Mar May	10.18 9.18 9.94 9.72 9.63 9.56 ON 50,000 Close 53.52 51.56 52.00	9.86 8.75- 9.64 9.41 9.31 9.25 conta/lb/ Previous 52.90 51.02 51.55	70.34 9.90 10.04 9.75 9.85 9.80 53.85 51.86 52.00 62.20	10.04 9.12 9.75 9.56 9.46 9.36 52.60 51.11 51.20 61.60	Sap Ouc Mar May Jul LIVE (Close 362/2 406/0 407/5 363/2 355/2 Close 71.22 72.25 73.25	Previous 390/2 402/5 403/4 379/4 353/0 1,000 iba; or Previous 70.75 71.80 73.17
Jen Mar May Jul Oct COTTS Oct Dec Mar May Jul Oct	10.18 9.18 9.94 9.72 9.63 8.56 ON 50,000 Ciose 53.52 51.56 51.65 52.09 62.48 53.58	9.86 8.75- 9.64 9.41 9.31 9.25 conta/lbs Previous 52.90 51.02 51.02 51.55 53.20	70.34 9.90 10.04 9.75 9.85 9.80 53.85 51.86 52.00 62.20 62.20 53.80	19.04 9.12 9.75 8.56 8.46 9.36 52.60 51.11 51.20	Sup Ooc Mary Jul LIVE (Aug Oct Des Feb Agr	Close 392/2 405/0 407/5 365/2 365/2 ATTLE 40 Close 71.22 72.25 73.26 74.82	990/2 402/8 403/4 379/4 363/0 .000 iba; or Previous 70.75 71.80
Jen Mar May Jul Oct Corr Dec Mar May Jul Oct Dec	10.18 9.18 9.94 9.72 9.65 8.56 ON 50,000 Ciose 53.52 51.56 52.05 52.46 53.58 53.60	9.86 8.75- 9.84 9.41 9.31 9.25 conta/lbt Previous 52.90 51.02 51.29 51.55 51.55 53.35	70.34 9.90 10.04 9.75 9.85 9.85 9.80 53.85 51.86 52.00 62.20 62.20 53.80 53.80	10.04 9.12 9.75 8.56 8.46 9.36 9.36 52.60 51.11 51.20 61.60 62.10	Sup One Mar May Jul Aug Oct Des Feb Aug	Close \$92/2 405/0 405/0 405/0 365/2 365/2 Close 71.22 72.25 73.26 73.76 74.80 74.30	Previous 390/2 402/6 403/4 379/4 353/0 1,000 iba; or Previous 70.75 71.80 73.17 73.72 76.06 74.65
Jen Mar May Jul Oct Corr Dec Mar May Jul Oct Dec	10.18 9.18 9.94 9.72 9.65 8.56 ON 50,000 Ciose 53.52 51.56 52.05 52.46 53.58 53.60	9.86 8.75- 9.84 9.41 9.31 9.25 conta/lbt Previous 52.90 51.02 51.29 51.55 51.55 53.35	70.34 9.90 10.04 9.75 9.85 9.80 53.85 51.86 52.00 62.20 62.20 53.80	10.04 9.12 9.75 9.56 9.46 9.36 52.50 51.11 51.20 51.60 62.10 63.20	Sup One Mary Jul LIVE (Oct Des Feb Aur Jun	Close 392/2 405/0 407/5 365/2 365/2 ATTLE 40 Close 71.22 72.25 73.26 74.82	Previous \$80/2 402/6 402/4 379/4 353/0 1,000 lbm; or Previous 70.75 71.80 73.17 73.17 73.72 75.05 74.65 71.80
Jen Mar May Jul Oct Corr Dec Mar May Jul Oct Dec	10.18 9.18 9.94 9.72 9.65 8.56 ON 50,000 Ciose 53.52 51.56 52.05 52.46 53.58 53.60	9.86 8.75- 9.84 9.41 9.31 9.25 conta/lbt Previous 52.90 51.02 51.29 51.55 51.55 53.35	70.34 9.90 10.04 9.75 9.85 9.85 9.85 51.85 51.85 51.85 51.86 52.80 62.20 62.20 53.80 53.80	10.04 9.12 9.75 9.26 9.36 9.36 52.50 51.11 51.20 61.60 62.10 63.20 53.40	Sup One May Jul LIVE (Dec Dec Jun Aug Sup Sup	Close 392/2 405/6 407/6 383/2 385/2 ATTLE 40 Close 71.22 72.25 73.26 73.76 74.82 74.50 71.50	Previous \$80/2 462/6 463/4 379/4 353/0 2000 lbs; or Previous 70.75 71.80 73.17 73.17 75.72 76.65 71.80 71.80 71.80
Jen Mary Jul Oct COTT Dec Mary Jul Oct Dec OffAht	10.18 2.18 9.94 9.72 9.63 8.56 8.56 51.56 51.56 51.56 51.56 51.56 52.06 62.48 63.59 63.59 63.59 63.59 63.60	9.86 8.76 9.41 9.41 9.31 9.25 conta/lib Previous \$2.90 51.02 51.02 51.02 51.02 51.03 82.01 83.30 83.35	70.34 9.90 10.04 9.75 9.85 9.85 9.85 51.85 51.85 51.85 51.86 52.80 62.20 62.20 53.80 53.80	10.04 9.12 9.75 9.56 9.36 9.36 51.11 51.20 61.60 62.10 63.20 53.40	Sup One May Jul LIVE (Dec Dec Jun Aug Sup Sup	Close 392/2 400/8 393/2 393/2 355/2 Close 71.22 72.25 73.25 74.82 74.80 71.50 71.50	Previous 380/2 482/4 482/4 482/4 378/4 378/4 378/4 378/7 773.17 773.17 773.17 773.17 773.17 773.17 773.17 773.06 77.50 77.50 77.50 77.50 77.50
Jen Mary Jul Oct COTT Dec Mar Mary Jul Oct Dec ORANI Sep Nov	10.18 9.18 9.94 9.72 9.65 0W 50,000 Close 53.52 51.56 52.05 52.05 52.05 53.38 53.80 GE_JUICE Close 196.50 194.50	9.86 8.75 9.54 9.41 9.31 9.25 ; conta/lib Previous 51.92 51.92 51.92 51.93 51.93 51.93 51.90 51.	70.34 9.90 10.04 9.75 9.95 9.95 9.50 63.85 51.86 52.90 62.20 62.20 62.20 63.80 67.00 197.00 197.00 184.60	10.04 9.12 9.76 9.58 9.56 9.36 9.36 52.80 51.20 51.20 51.40 62.10 63.50 83.40	Sup Out Mary July Aug Out Out Out Out Out Aug Aug Aug Aug Aug Aug Aug Aug Aug Aug	Close 902/2 400/8 295/2 400/8 395/2 395/2 355/2 72.25 72.25 73.26 77.37 74.82 74.80 71.50 71.50 7006 50.00 Close	Previous 390/2 402/6 402/6 403/4 379/4 353/0 .000 iba; or Previous 70.75 71.80 71.90 71.00 00 ib; oneth
Jen Mary Jul Oct COTT Dec Mary Jul Oct ORAM	10.18 9.18 9.94 9.72 9.65 0M 50,000 Close 53.52 51.56 52.00 62.48 53.50 62.48 53.50 62.48 53.50 62.48 53.50 62.48 53.50 62.48 53.50 62.48 53.50 62.48 53.50 62.48 53.50 62.48 53.50 62.48 53.50 62.48 53.50 62.48 53.50 62.48 53.50 62.48 53.50 62.48 53.50 63.40	9.98 8.75 9.64 9.31 9.31 9.25 conta/lbd Previous 52.90 51.92 51.92 51.92 51.93 53.35 15,000 fbs Previous 184.90 182.75	70.34 9.90 10.04 9.75 9.85 9.85 9.80 53.85 51.85 51.85 51.85 52.80 62.20 62.20 53.80 53.80 53.80 197.00 194.50 175.20	10.04 9.12 9.75 9.26 9.26 9.36 9.36 51.20 51.20 51.40 62.10 63.20 53.40	Sup Oue Mary May July Aug Oud Oue Sup July Aug Aug Aug Aug Aug Aug Aug Aug Aug Aug	Close 392/2 400/0 400/0 393/2 395/2 395/2 ATTILE 40 Close 71.22 72.25 73.76 74.50 71.20 Close 47.40	Previous 580/2 402/6 402/6 403/4 378/4 378/4 378/4 378/6 71.80 77.317 73.72 75.05 74.65 71.90 00 Ib; cards Previous 46.95
Jen Mary Jul Oct COTT Dec Mar Mary Jul Oct Dec ORANI Sep Nov	10.18 9.18 9.94 9.72 9.65 0W 50,000 Close 53.52 51.56 52.05 52.05 52.05 53.38 53.80 GE_JUICE Close 196.50 194.50	9.86 8.75 9.54 9.41 9.31 9.25 ; conta/lib Previous 51.92 51.92 51.92 51.93 51.93 51.93 51.90 51.	70.34 9.90 10.04 9.75 9.95 9.95 9.50 63.85 51.86 52.90 62.20 62.20 63.80 67.00 197.00 197.00 184.60	10.04 9.12 9.76 9.58 9.56 9.36 9.36 52.80 51.20 51.20 51.40 62.10 63.50 83.40	Sup One Mary July LIVE (Oct Dec Dec Aug Sup LIVE I Aug Cot Dec Dec	Close 902/2 400/8 295/2 400/8 395/2 395/2 355/2 72.25 72.25 73.26 77.37 74.82 74.80 71.50 71.50 7006 50.00 Close	Previous 380/2 402/6 402/6 403/4 379/4 379/4 379/6 303/0 Previous 70.75 71.90 71.90 Previous 40.76 40.76
Jen Mary Jul Oct COTT Dec Mary Jul Oct Dec ORAM Sep Nov Jan Mar	10.18 9.18 9.72 9.72 9.63 8.56 8.56 51.56 51.56 51.56 52.00 62.48 63.59 62.00 62.48 63.59 63.59 64.20 196.50 194.20 175.36	9.86 8.75 9.64 9.41 9.31 9.25 contar/bs 7 previous 52.90 51.02 51.02 51.02 51.05 52.01 83.30 83.35 18,000 fb Previous 184.90 182.75 173.90 172.50	70.34 9.90 10.04 9.76 9.85 9.80 53.86 51.86 52.20 52.20 52.20 53.80 53.80 197.00 194.60 175.20 173.90	10.04 9.12 9.75 9.26 9.26 9.36 9.36 51.20 51.20 51.40 62.10 63.20 53.40	Sup Coc Mary May July Aug Coc Jun Aug Sup UVE I	Close 392/2 400/6 407/6 393/2 3956/2 ATTILE 40 Close 71.22 74.50 71.50 71.50 Close 47.40 41.40 43.65	Previous 580/2 402/6 402/6 403/4 378/4 378/4 378/4 378/6 71.80 77.50 77.50 77.50 77.50 77.50 77.50 77.50 77.50 77.50 45.56 40.76 45.96 46.76 45.90 45.00
Jan Mary Jul Oct Dec Mar May Jul Oct Dec Mar May Jul Oct Dec Mar May Jul Oct Dec Mary Jul O	10.18 9.18 9.94 9.72 9.65 0M 50,000 Ciose 53.52 51.65 52.00 62.48 53.50 62.48 53.50 62.48 53.50 62.48 53.50 773.85 773.85 773.85	9.86 8.75 9.54 9.41 9.31 9.25 9.25 9.25 9.25 51.29 51.29 51.29 51.29 51.20 83.35 15,000 for Previous 184.75 172.90 172.90 172.90 172.90 172.90 172.90	70.34 9.90 10.04 9.75 9.95 9.95 9.90 53.85 51.96 52.90 52.90 53.80 53.80 197.00 197.40 177.40	10.04 9.12 9.75 9.58 9.56 9.36 9.36 52.80 51.11 51.20 51.40 62.10 63.50 83.40 174.80 174.80 174.80 171.03	Sup One Mary July LIVE (Oct Dec Dec Aug Sup LIVE I Aug Cot Dec Dec	Close 902/2 405/6 405/6 905/2 905/2 905/2 905/2 905/2 71.22 72.25 73.76 74.50 71.50 71.50 61066 44.40 44.96 44.50	Previous 380/2 402/6 402/6 403/6 335/0 355/0 Previous 70.75 71.80 71.80 Previous 46.76 40.76 45.10 45.00
Jan Mary Jul Cot Dec Mary May Jul Sep Nov Jan Mar May Jul Sep Mary Jul Sep May	10.18 9.18 9.19 9.72 9.65 9.72 9.65 0M 50,000 Close 53.52 51.56 52.06 52.48 53.80 GE JUICE Close 196.50 175.05 1773.65 1773.65	9.86 8.75 9.64 9.41 9.31 9.25 contar/bd Previous 52.90 51.92 51.92 51.93 52.90 53.35 15,000 fbs Previous 184.90 182.75 173.90 172.50 171.00	70.34 9.90 10.04 9.76 9.85 9.80 53.86 51.86 52.20 52.20 52.20 53.80 53.80 197.00 194.50 173.90 171.40 170.05	10.04 9.12 9.75 9.56 9.46 9.36 51.11 51.20 51.00 52.10 53.40 193.40 174.80 174.80 174.80 174.80 176.00	Sup One Mary July Aug Oct Oct Oct Oct Oct Oct Oct Oct Oct Oct	Close 392/2 400/0 400/0 393/2 3956/2 ATTILE 40 Close 71.22 74.50 71.50 71.50 Close 47.40 41.40 43.55 44.50 48.60 48.60	Previous 580/2 402/6 402/6 403/4 378/4 378/4 378/6 70.75 71.70 73.77 73.77 73.77 73.77 74.66 71.00 71.00 81: confb Previous 45.95 45.10 44.02 44.02 44.02 44.03
Jan Mary Jul Cot Dec Mary May Jul Sep Nov Jan Mar May Jul Sep Mary Jul Sep May	10.18 9.18 9.19 9.72 9.65 9.72 9.65 0M 50,000 Close 53.52 51.56 52.06 52.48 53.80 GE JUICE Close 196.50 175.05 1773.65 1773.65	9.86 8.75 9.64 9.41 9.31 9.25 contar/bd Previous 52.90 51.92 51.92 51.93 52.90 53.35 15,000 fbs Previous 184.90 182.75 173.90 172.50 171.00	70.34 9.90 10.04 9.75 9.95 9.95 9.90 53.85 51.96 52.90 52.90 53.80 53.80 197.00 197.40 177.40	10.04 9.12 9.75 9.56 9.46 9.36 51.11 51.20 51.00 52.10 53.40 193.40 174.80 174.80 174.80 174.80 176.00	Sup One Mary July Aug Oct Oct Oct Oct Oct Oct Oct Oct Oct Oct	Close 392/2 400/0 400/0 393/2 3956/2 ATTILE 40 Close 71.22 74.50 71.50 71.50 Close 47.40 41.40 43.55 44.50 48.60 48.60	Previous 580/2 402/6 402/6 403/4 378/4 378/4 378/6 70.75 71.70 73.77 73.77 73.77 73.77 74.66 71.00 71.00 81: confb Previous 45.95 45.10 44.02 44.02 44.02 44.03
Jan Mary Jul Cot Dec Mary May Jul Sep Nov Jan Mar May Jul Sep Mary Jul Sep May	10.18 9.18 9.19 9.72 9.65 9.72 9.65 0M 50,000 Close 53.52 51.56 52.06 52.48 53.80 GE JUICE Close 196.50 175.05 1773.65 1773.65	9.86 8.75 9.64 9.31 9.31 9.25 contar/list Previous 51.92 51.92 51.92 51.92 51.93 51.95 53.35 15,000 fts Previous 184.90 172.60 177.90 177.90	70.34 9.90 10.04 9.76 9.76 9.85 9.85 51.86 51.86 52.80 62.20 52.80 53.80 197.00 197.00 197.00 177.40 177.40	10.04 9.12 9.75 9.56 9.46 9.36 51.11 51.20 51.00 52.10 53.40 193.40 174.80 174.80 174.80 174.80 176.00	Sup One Mary July Aug Oct Oct Oct Oct Oct Oct Oct Oct Oct Oct	Close 392/2 400/8 395/2 395/2 395/2 355/2 355/2 Close 71.22 72.25 73.25 73.25 74.82 74.82 74.50 71.50 6066 47.40 41.40 41.40 44.50 44.50 44.50 46.50 46.50	Previous 380/2 482/4 482/4 482/4 378/4 378/4 378/4 378/4 378/4 378/4 771.50 773.17 773.17 773.77 775.05 77.50 774.55 771.60 676.96 46.96 45.10 45.00 45.00 45.00 46.95 46.95 46.95
Jan Mary Jul Cot Dec Mary May Jul Sep Nov Jan Mar May Jul Sep Mary Jul Sep May	10.18 9.18 9.94 9.72 9.65 9.72 9.65 0N 50,000 Close 83.52 51.56 52.00 62.48 53.50 GE_SURCE Close 196.90 194.20 173.95 177.95 177.95 177.95 CEES	9.96 8.75 9.64 9.31 9.31 9.25 contar/list 52.90 51.02 51.02 51.02 51.25 52.00 53.35 15,000 fbs Previous 184.90 172.50 173.90 172.50 170.00	70.34 9.90 10.04 9.76 9.76 9.85 9.85 51.86 51.86 52.80 62.20 52.80 53.80 197.00 197.00 197.00 177.40 177.40	10.04 9.12 9.75 9.56 9.56 9.36 9.36 51.11 51.20 61.60 62.10 63.20 53.40 193.50 174.60 172.60 170.00	Sup Out Mary July Aug Out Out Out Out Out Out Out Out Out Out	Close 392/2 400/8 395/2 395/2 385/2 385/2 385/2 71.22 72.25 73.25 73.25 71.30 71.20 1008 50.0 Glose 47.40 41.40 41.40 41.40 41.40 41.40 41.40 41.40 41.60 44.50 48.50 48.50	Previous 380/2 482/4 482/4 482/4 378/4 378/4 378/4 378/4 378/4 378/4 371,90 73,17 73,17 75,17 75,05 71,50 71,50 674,55 71,50 674,55 48,96 45,10 45,00 45,00 45,00 45,00 45,00 45,00 45,00 45,00 45,00 45,00 45,00 45,00 45,00 45,00 45,00 45,00 45,00 45,00 46,05
Jen Mar May Jul Oct Dec Dec Mar May Jul Oct Dec ORANI Mar May Jul Oct Dec ORANI Mar May Jul Mar May May Jul Mar May	10.18 9.18 9.19 9.72 9.65 9.72 9.65 DN 50,000 Close 53.52 51.56 52.00 62.48 53.50 GE_SUICE Close 190.60 175.05 1773.86 172.35 1771.00 CEES TERS (Sa	9.86 8.75 9.64 9.41 9.31 9.25 contar/bd Previous 52.90 51.29 51.29 51.25 52.00 53.35 15,000 fbs Previous 184.90 172.60 170.00	70.34 9.90 10.04 9.76 9.85 9.85 9.80 51.86 51.86 52.20 62.20 52.60 53.80 53.80 197.00 197.00 197.00 177.40 177.40 177.40 177.40	10.04 9.12 9.75 9.56 9.56 9.36 9.36 51.00 51.00 51.00 52.10 53.20 53.40 172.40 172.40 172.40 172.40 172.40 172.40 172.40 172.40 172.40	Sup Oct Dec Dec Dec Dec Feb Aug Aug Aug Aug Aug Ponc Aug Feb	Close 302/2 400/8 302/2 400/8 305/2 305/2 305/2 305/2 305/2 71.22 72.25 73.26 73.26 73.26 73.26 71.20 DOSE 50.0 Close 47.40 41.40 41.40 41.66 45.50 48.50 48.50 48.50 55.57	Previous 590/2 402/6 402/6 403/4 378/4 378/4 378/4 378/4 378/6 71.80 771.80 771.80 771.90 771.90 98; bands 40.76 45.96 40.76 45.90 44.05 48.95 98.000 (te; Previous 34.70
Jen Mar May Jul Oct Dec Dec Mar May Jul Oct Dec ORANI Mar May Jul Oct Dec ORANI Mar May Jul Mar May May Jul Mar May	10.18 9.18 9.19 9.72 9.65 9.72 9.65 0N 50,000 Close 83.52 51.56 52.00 62.48 53.58 53.80 GE_SUICE Close 199.90 184.20 175.05 177.00 CEEE TERS (Sa: Aug 1 1850.7	9.86 8.75 9.64 9.41 9.31 9.25 contar/bd Previous 52.90 51.29 51.29 51.25 52.00 53.35 15,000 fbs Previous 184.90 172.60 170.00	70.34 9.90 10.04 9.76 9.76 9.85 9.85 51.86 51.86 52.90 52.20 52.80 53.80 197.00 197.00 197.00 177.40 170.05	10.04 9.12 9.75 9.26 9.26 9.36 9.36 51.20 51.20 51.20 62.10 62.10 63.20 53.40 172.40 172.40 172.40 172.50 171.00 172.60 172.60 172.60 172.60 172.60 172.60 172.60 173.60 174.60 176.60 176.60 176.60 176.60 176.60 176.60 177.60 176.60 176.60 176.60 176.60 176.60 176.60 176.60 177.60 176.60 17	Sup Cod	Close 302/2 400/0 407/8 305/2 355/2 355/2 355/2 255/7 72.25 73.25 73.25 74.52 74.52 74.50 71.50 6068 47.40 41.40 44.40 44.50 44.50 44.50 46.50 46.50 46.50 66.50 66.50 66.50 66.50 66.50 66.50 66.50 66.50 66.50 66.50 66.50	Previous 590/2 402/6 402/6 403/4 378/4 378/4 378/4 378/4 378/4 378/7 71.80 77.5.77 75.75 77.5.77 75.75 77.5.00 85; cando 40.75 45.50 45.00 44.05 46.05
Jen Mar May Jul Oct Dec Dec Mar May Jul Oct Dec Mar May Jul Oct Dec May Jul Oct Dec May Jul Dec May Jul Step	10.18 9.18 9.19 9.72 9.65 9.72 9.65 0N 50,000 Close 83.52 51.56 52.00 62.48 53.58 53.80 GE_SUICE Close 199.90 184.20 175.05 177.00 CEEE TERS (Sa: Aug 1 1850.7	9.86 8.75 9.84 9.41 9.25 conta/lib Previous 51.92 51.95 51.29 51.25 52.01 83.35 83.35 15,000 fbs Previous 184.90 172.60 1	70.34 9.90 10.04 9.76 9.76 9.85 9.85 9.85 51.86 52.80 62.20 62.20 53.80 53.80 177.00 184.90 177.40 177.40 177.05	10.04 9.12 9.75 9.56 9.56 9.36 9.36 51.00 51.00 51.00 52.10 53.20 53.40 172.40 172.40 172.40 172.40 172.40 172.40 172.40 172.40 172.40	Sup Oct Dec Dec Dec Dec Feb Aug Aug Aug Aug Aug Ponc Aug Feb	Close \$02/2 400/0 400/0 \$03/2 \$55/2 ATTLE 40 Close 71.22 72.25 73.75 74.50 71.20 74.50 41.40 41.40 44.55 44.50 44.50 46.20 BELLES Close \$55.55	Previous 590/2 402/6 403/4 378
Jen Mar May Jul Oct Dec Dec Mar May Jul Oct Dec Mar May Jul Oct Dec May Jul Oct Dec May Jul Dec May Jul Step	10.18 9.18 9.19 9.72 9.65 9.72 9.65 0M 50,000 Close 51.85 52.05 52.45 53.80 53.80 53.80 194.20 194.20 197.35 177.00 CES.	9.86 8.75 9.64 9.41 9.31 9.25 conta/lib 9.25 51.92 51.92 51.92 51.93 51.93 51.90 51.	70.34 9.90 10.04 9.75 9.95 9.95 9.95 53.85 51.85 52.00 62.20 62.20 63.90 53.80 F, contas/tba 1970.05 171.40 170.05	10.04 9.12 9.76 9.12 9.76 9.58 9.46 9.36 9.36 51.11 51.20 51.40 62.10 63.50 174.60 172.60 171.00 170.00 1867.6 1000	Sup Cong Mary Mary July Aug Oct Des Apr July Aug Ponsk Aug Ponsk Aug Ponsk Mary Mary Mary Mary Mary Mary Mary Mary	Close 302/2 400/0 407/8 305/2 355/2 355/2 355/2 255/7 72.25 73.25 73.25 74.52 74.52 74.50 71.50 6068 47.40 41.40 44.40 44.50 44.50 44.50 46.50 46.50 46.50 66.50 66.50 66.50 66.50 66.50 66.50 66.50 66.50 66.50 66.50 66.50	Previous 590/2 402/6 402/6 403/4 378/4 378/4 378/4 378/4 378/4 378/7 71.80 77.5.77 75.75 77.5.77 75.75 77.5.00 85; cando 40.75 45.50 45.00 44.05 46.05

	Aug	861/0	877/0	865/0	<i>672/</i> 0
	Sep Nov	883/2 892/2	884/0 892/0	\$1888 \$1888	876/4 884/0
	Jan	889/6	891/0	894/0	864/0
	Mar	885/4	888/4	890/0	881/0
	May Jul	869/0 857/4	871/4 860/D	873/0 861/0	865/0 863/0
_	Aug	825/0	828/0	832/0	825/0
_	SOYA	BEAN OIL	60,000 fbs; c		
_		Gloss	Previous	High/Low	
_	Aug	27.20			
	Sec	27.06	27.50 27.47	27.25 27.30	27.00 27.06
	Oct	27.35	27.80	27.62	27.32
	Dec Jen	27,75 28,01	28.22 28.50	28.10 28.30	27.70
	May	28.60	28.75	28,70	28.00 28.30
	May Jul	28.66	28.95	28.75	26.51
		28.20	28.32	28.60	28.20
_	SOYAL	BEAN ME	AL, 100 tons;	S/ton	
_		Close	Previous	High/Low	
-	Aug	277.2	277,5	278.5	275.0
	Seo	274.2	274.2	275.5	272.0
	Oct Dec	272.2 270.7	271.7 270.5	273.4	270.0
	Jen	266.7	265.5	272.5 268.0	.264,0 264,0
	Mar . May	260,5	258.0	262.0	268.5
_	Jul	257.0 251.5	254,5 250,5	257.0 252.0	263.0
_			min; cents/5		245.0
_		Close			
_	Sep	267/6	Previous	High/Low	
	Dec	2007/6 200/6	284/6 294/4	289/4 296/0	263/6
	Mar	300/6	. 299/2	302/4	292/6 297/0
	May	301/2 297/6	300/2 296/2	302/4	298/0
		a/U	440.5	200/4	294/0
	Sep	280/4	261/4		
-	Sep Dec	295/6	268/6	282/0 269/4	28970 28670
_	Dec	295/6	268/6	282/0 269/4	200/0
- -	MHEA	295/6		282/0 269/4	200/0
- -	WHEA	296/6 7 5,000 by Closs 392/2	268/6 min; centr/6 Previous 390/2	262/0 269/4 10/6-bushel High/Low	286/0 286/0
- -	WHEA'	296/6 7 5,000 bu Closs 392/2 406/0	268/6 min; centuri Previous 390/2 402/6	282/0 289/4 200/6-bushel High/Low 394/4 407/4	200/0 200/0 200/0 200/0 402/4
-	WHEA Sup Ouc Mar May	296/6 7 5,000 by Closs 392/2	268/6 min; central Previous \$90/2 402/6 403/4	262/0 269/4 50%-bushel High/Low 394/4 407/4 409/0	200/0 200/0 200/0 390/0 400/4
-	WHEA'	296/6 T 5,000 by Close 392/2 406/0 407/5	268/6 min; centuri Previous 390/2 402/6	282/0 289/4 200/6-bushel High/Low 394/4 407/4	280/0 286/0 386/0 386/0 402/4 403/4 580/0
-	Sap Coc Mer May Jul	296/6 7 5,000 bu Closs 392/2 406/0 407/6 393/2 355/2	268/6 I min; centuri Previous 390/2 402/6 403/4 379/4 353/0	282/0 269/4 20fb-bushel High/Low 394/4 407/6 408/0 384/4 356/0	200/0 200/0 200/0 390/0 400/4
-	Sap Coc Mer May Jul	298/6 7 5,000 by Closes 392/2 408/0 407/6 383/2 355/2	268/6 min; centu/6 Previous 390/2 402/6 403/4 379/4 353/0	282/0 200/4 200/4 200/5-bushel High/Low 394/4 407/4 40/4 40	280/0 286/0 386/0 386/0 402/4 403/4 580/0
-	Sap Oac Mar May Jul	298/6 7 5,000 by Close 392/2 405/0 407/6 383/2 385/2 Close	266/6 Imin; century Previous 380/2 402/6 403/4 379/4 353/0 1,000 ibn; cent	282/0 269/4 20fb-bushel High/Low 394/4 407/6 408/0 384/4 356/0	280/0 286/0 386/0 386/0 402/4 403/4 580/0
-	Sap Coc Mer May Jul	295/6 7 5,000 bu Closs 392/2 405/0 407/5 393/2 393/2 355/2 Closs 71,22	266/6 Imin; centurie Previous 390/2 402/6 403/4 379/4 303/0 1,000 that; centurie Previous 70.75	282/0 200/4 200/4 200/4 High/Low 384/4 400/0 384/4 556/0 Nigh/Low 71.50	286/0 286/0 286/0 386/0 402/4 403/4 403/4 403/6 386/0 382/0
-	Sup Oue Mer Mey Juli Live o	286/6 7 5,000 bu Close 392/2 405/0 407/6 363/2 365/2 Close 71.72 72.25 73.26	266/6 Imin: centuri Previous 390/2 402/6 403/4 378/4 353/0 1,000 iba; cen Previous 70,75	282/0 200/4 200/6-bushel High/Low 394/4 407/4 408/0 384/4 356/0 Nigh/Low 71,30 72,6s	286/0 286/0 386/0 402/4 403/4 580/0 382/0 70,86
	Sup Oue Mer May Juli LIVE C	268/6 7 5,000 hu Closs 362/2 406/0 407/6 363/2 365/2 Close 71,22 72,25 73,25 73,75	268/6 min: centure Previous 390/2 402/6 402/6 403/4 378/4 353/0 1,000 (ba: cert 70.75 71.50 73.17 73.72	282/0 289/4 2006-bushel High/Low 394/4 408/0 384/4 556/0 71.30 72.66 73.40 74.05	286/0 286/0 286/0 386/0 402/4 403/4 403/4 403/6 386/0 382/0
	Sup Code Mar May Aug Code Feb Aug Feb Aug	288/6 7 5,000 bu Close 392/2 405/0 407/6 407/6 355/2 ATTLE 40 Close 71,22 72,25 73,25 73,482	268.6 min; century Previous 390/2 403/4 379/4 353/0 1,000 ibn; cent Previous 70,75 71,80 73,17 73,72 75,05	282/0 200/4 200/4 200/5-bushel High/Low 394/4 407/4 408/0 356/0 155/0 155/0 71.50 72.65 73.40 74.05 75.27	289/0 286/0 286/0 380/0 462/4 453/4 380/0 382/0 70.86 71.86 72.85 73.46 74.66
	Sup Oue May Juli LIVE C Out Sup Aug Out Aug Aug Aug	268/6 7 5,000 bu Close 992/2 406/0 407/6 393/2 368/2 Close 71,22 72,25 73,25 74,50 71,50	268/6 min: centure Previous 390/2 402/6 403/4 378/4 353/0 1,000 tba; cent Previous 70.75 71.80 74.85 71.80	282/0 289/4 2006-bushed High/Low 394/4 400/0 384/4 356/0 24/0s 71.50 72.65 73.60 74.05 75.27 74.80	200/0 200/0 200/0 200/0 402/4 402/4 402/4 402/4 500/0 300/0 70.00 71.56 72.66 74.65 74.55
	Sup Out Des Aug Out Des Aug Aug Sup Aug Sup	268.6 T 5,000 bu Closes \$92/2 405/0 405/8 365/2 365/2 365/2 71.25 72.25 73.25 74.80 71.20 71.30	266/6 Imiz: centuria: Previous 90/2 402/6 402/6 403/4 378/4 355/0 0.000 ibs: centuria: Previous 70.75 71.80 74.85 71.80	282/0 289/4 289/4 2006-bushed High/Low 394/4 400/0 384/4 356/0 71.50 72.65 73.60 74.05 75.27 74.60 72.25	289/0 286/0 286/0 380/0 462/4 453/4 380/0 382/0 70.86 71.86 72.85 73.46 74.66
	Sup Out Des Aug Out Des Aug Aug Sup Aug Sup	266.6 7 5,000 bu Close 392/2 405/6 405/6 3353/2 3353/2 Close 71,22 72,25 73,26 71,30 71,50 71,50 71,20	268/6 min; centur; Previous 390/2 402/6 403/4 379/4 359/4 353/0 0.000 iba; cent Previous 70.75 71.90 73.17 73.72 76.05 74.65 71.80 71.00 00 ib; centur;	282/0 289/4 289/4 2006-bushed High/Low 394/4 400/0 384/4 356/0 71.50 72.65 73.60 74.05 75.27 74.60 72.25	286/0 286/0 286/0 286/0 286/0 386/0 386/0 386/0 386/0 386/0 371,86 71,86 71,86 71,86 71,96
	Sup Occ Mar Mar Aug Occ Des Feb Aur Jun Sup Sup LIVE o	268.6 T 5,000 bu Closes \$92/2 405/0 405/8 365/2 365/2 365/2 71.25 72.25 73.25 74.80 71.20 71.30	268/6 min; centur; Previous 390/2 402/6 403/4 379/4 359/4 353/0 0.000 iba; cent Previous 70.75 71.90 73.17 73.72 76.05 74.65 71.80 71.00 00 ib; centur;	282/0 289/4 289/4 289/4 407/6 407/6 409/0 384/4 356/0 71.30 72.65 73.40 74.05 74.05 74.05 74.25 71.20	286/0 286/0 286/0 286/0 286/0 386/0 386/0 386/0 386/0 386/0 371,86 71,86 71,86 71,86 71,96
	Sup Oue Mar May Jul Aug Oct Dec Feb Aur Jun Aug LIVE o	266.6 7 5,000 bu Close \$22.2 409.0 409.0 409.0 300.2 300.2 300.2 300.2 300.2 71.22 72.25 73.25 74.50 71.50 71.20 Close 47.40	268/6 min: centure Previous 390/2 402/6 403/4 379/4 353/0 1,000 that; cent Previous 70.75 71.50 71.50 71.50 71.50 71.00 00 ib; centure Previous	282/0 280/4 200/4 200/4 200/4 200/4 200/4 200/4 200/6	286/0 286/0 286/0 286/0 402/4 403/4 386/0 386/0 382/0 71,86 71,86 74,96 74,96 74,96
	Sup Chec Mary May Aug Oct Dec Aug Sup Aug Aug Aug Aug Aug Aug Sup Aug	268/6 7 5,000 bu Close 362/2 409/0 407/6 363/2 363/2 ATTLE 40 Close 71,22 72,25 73,76 71,50 71,20 71,50 71,20 71,20 40/40 41,40 41,40	268/6 min; centur; Previous 390/2 402/6 403/4 379/4 359/4 353/0 0.000 iba; cent Previous 70.75 71.90 73.17 73.72 76.05 74.65 71.80 71.00 00 ib; centur;	282/0 2808/4 2005-bushel High/Low 394/4 407/4 408/0 394/4 356/0 Nigh/Low 71.30 72.65 73.40 74.65 74.65 72.27 74.60 71.30 High/Low 47.50	200/0 200/0 200/0 300/0 402/4 403/4 500/0 302/0 70.66 71.66 72.65 74.05 74.05 74.06 0
	Sup Oue Mar May Jul Aug Oct Dec Feb Aur Jun Aug LIVE o	268.6 7 5,000 bu Close 392/2 405/6 405/6 3358/2 3358/2 3358/2 71,25 72,25 73,26 73,26 71,20 1008 50,0 Close 47,40 41,40 43,96	268/6 min; center/6 Previous 390/2 402/6 403/4 373/4 353/4 353/4 353/6 Previous 70.73 71.50 73.17 73.72 75.06 71.60	282/0 280/4 200/4 200/4 200/4 200/4 200/4 200/6	286/0 286/0 286/0 386/0 386/0 386/0 386/0 382/0 71,86 72,86 72,86 73,40 74,46 74,46 74,46 74,96 46,90 46,90
	Sup Chec Mary May Aug Oct Dec Aug	268/6 7 5,000 bu Close 362/2 409/0 407/6 383/2 ATTLE 40 Close 71,22 72,25 73,76 74,50 71,50 71,50 71,50 71,50 41,40 43,96 48,96 44,40 44,30	266/6 min; century Previous 390/2 402/6 403/4 379/4 359/4 353/0 1,000 ibn; cent Previous 70.75 71.80 73.17 73.72 75.05 74.65 71.80 Previous Previous 45.95 40.75 43.19 45.96	282/0 289/4 289/4 289/4 407/4 407/4 407/4 407/4 407/4 407/4 556/0 71.50 72.6s 72.6s 72.6s 72.25 71.20 be High/Low 41.85 44.15 44.15	200/0 200/0 200/0 200/0 402/4 402/4 402/4 402/4 402/4 402/4 402/0 70,86 71,86 71,86 71,86 74,86 74,96 74,96 74,96 74,96 74,96 74,96 74,96 74,96 74,96 74,96
	WHIMA Sup Coe Mar	268.6 7 5,000 bu Close 392/2 405/6 405/6 3353/2 3353/2 371.25 77.25 77.36 77.30 71.20 1098 \$0,0 Close 47.40 41.40 41.40 44.60 46.50 44.60	268/6 min; center/6 Previous 390/2 402/6 403/4 359/4 359/4 353/0 1,000 iba; center/6 71.50 73.17 73.72 75.05 71.60 71.00 00 ib; center/6 40.75	282/0 289/4 289/4 50%-bushed High/Low 394/4 407/4 407/4 408/0 384/4 356/0 71.30 72.65 73.60 74.05 73.60 74.05 75.27 76.27 76.2	200/0 200/0 200/0 200/0 402/4 403/4 403/4 403/0 300/0
	MINEA Sup Coec Mary July Aug Coec Feb Aug Oct Des Sup Oct Des Coec Mary July Aug Oct Des Aug Oct Des Aug Oct Des Aug Oct Aug Oct Aug Aug Aug Aug Aug Aug Aug Aug Aug Aug	268.6 7 5,000 bu Closes \$22,2 409/0 409/8 350/2 350/2 350/2 350/2 71.25 72.25 73.25 74.30 71.20 D08 50,0 Glose 47.40 41.40 43.50 44.50 44.50 44.50 44.50 44.50	266/6 min; century Previous 390/2 402/6 403/4 379/4 353/0 1,000 ibn; cent Previous 70,75 71,80 73,17 73,72 75,95 74,65 71,80 71,00 00 ib; century Privious 45,95 40,76 45,19 45,95 44,02 48,95 48,95	282/0 289/4 289/4 289/4 407/4 407/4 407/4 407/4 407/4 407/4 556/0 71.50 72.65 73.60 73.60 73.60 74.05 73.60 74.05 75 75 75 75 75 75 75 75 75 75 75 75 75	200/0 200/0 200/0 200/0 402/4 402/4 402/4 402/4 500/0 500/0 71,56 71,56 71,56 71,56 71,56 71,56 71,56 40,65 43,90 44,96 44,96 44,90 44,90 44,90
	MINEA Sup Coec Mary July Aug Coec Feb Aug Oct Des Sup Oct Des Coec Mary July Aug Oct Des Aug Oct Des Aug Oct Des Aug Oct Aug Oct Aug Aug Aug Aug Aug Aug Aug Aug Aug Aug	268.6 7 5,000 bu Close 392/2 409/0 409/6 393/2 385/2 355/2 71,25 72,25 73,26 71,20 1098 50,0 Close 47,40 41,40 41,40 41,40 41,40 41,60 48,50 48,50 48,50 48,50 48,50	266/6 min; century Previous 390/2 402/6 403/4 379/4 353/0 1,000 ibn; cent Previous 70,75 71,80 73,17 73,72 75,95 74,65 71,80 71,00 00 ib; century Privious 45,95 40,76 45,19 45,95 44,02 48,95 48,95	282/0 289/4 289/4 289/4 407/4 407/4 407/4 407/4 407/4 407/4 556/0 71.50 72.65 73.60 73.60 73.60 73.60 74.05 75.27 75.27	200/0 200/0 200/0 200/0 402/4 403/4 300/0 300/0 300/0 300/0 300/0 300/0 71,56 71,56 71,56 71,66 71,66 71,66 40,00
	Sup Coc Mary July Coc Des Feb Apr Aug Ponk Aug P	268.6 7 5,000 bu Closes \$22,2 409/0 409/8 350/2 350/2 350/2 350/2 71.25 72.25 73.25 74.30 71.20 D08 50,0 Glose 47.40 41.40 43.50 44.50 44.50 44.50 44.50 44.50	268/6 min; center/6 Previous 390/2 402/6 403/4 379/4 353/4 353/0 1,000 iba; center/7 71.50 7	282/0 200/4 200/4 200/4 200/6	200/0 200/0 200/0 200/0 402/4 402/4 402/4 402/4 500/0 500/0 71,56 71,56 71,56 71,56 71,56 71,56 71,56 40,65 43,90 44,96 44,96 44,90 44,90 44,90
	Sup Conc Mary July Aug Cont Dec Feb Apr July Aug Ponck A	268.6 7 5,000 bu Closes \$22.2 409/0 409/8 350/2 350/2 350/2 350/2 350/2 71.50 71.50 71.50 71.50 71.50 71.50 43.90 44.40 43.90 44.40 44.50 44.50 44.50 44.50 56.70	268/6 min; center/6 Previous 390/2 402/6 403/4 379/4 353/4 353/4 353/6 Previous 70.73 71.50	282/0 280/4 280/4 280/4 280/4 280/4 280/4 280/4 280/4 280/6	200/0 200/0 200/0 200/0 402/4 403/4 500/0 300/0 300/0 300/0 300/0 71,56
	Sup Chec Mary Mary Mary Aug Oct Dec Aug Sup	268/6 7 5,000 bu Close 362/2 406/0 407/6 383/2 ATTLE 40 Close 71,22 72,25 73,26 71,30 71,30 71,30 Close 47,40 41,40 43,96 48,50 58,50 58,5	268/6 min: centure Previous 390/2 402/6 403/4 378/4 353/0 1,000 lbs; cent Previous 70.75 71.80 7	282/0 289/4 289/4 289/4 407/4 407/4 407/4 407/4 407/4 407/4 556/0 71.50 72.55 73.60 74.05 72.55 73.60 74.05 74.85	200/0 200/0 200/0 200/0 402/4 402/4 402/4 402/4 500/0 300/0 71,56 72,56 72,56 74,56 71,56 0 40,66 43,90 44,96 44,96 44,96 44,96 44,90 44,90 44,90 44,90 44,90
	Sup Code Mary July Aug Code Feb Apri Aug Code Dec Feb Apri Aug Politic Aug Feb Apri Aug Feb Mary Feb	268.6 7 5,000 bu Close 392/2 409/0 409/6 393/2 385/2 385/2 71,25 72,25 73,26 71,20 1098 \$0,0 Close 47,40 41,50 41,	268/6 min; center/6 Previous 390/2 402/4 402/4 3579/4 3539/4 3539/0 Previous 70.75 71.90 73.17 73.72 75.05 71.80 71.00 00 lb; center/6 40.75 43.19 45.95 40.75 45.10 45.00 44.02 48.55 48.55 48.55 48.55 58.000 lbe; ce	282/0 280/4 280/4 280/4 280/5 284/4 284/4 284/4 286/6 284/4 286/6 286/6 296/6	200/0 200/0 200/0 200/0 402/4 403/4 500/0 502/0 502/0 77.86 77.86 72.86 73.40 74.86 74.86 74.96 44.96 45.90 44.86 45.90 44.86 45.90 44.86 45.90 44.86 45.90 46.90
	Sup Cot Dec Feb Aug Cot Dec Feb Mary July July July Cot Dec Feb Mary	268/6 7 5,000 bu Close 362/2 406/0 407/6 383/2 ATTLE 40 Close 71,22 72,25 73,26 71,30 71,30 71,30 Close 47,40 41,40 43,96 48,50 58,50 58,5	268/6 min: contact Previous 390/2 402/6 402/6 402/6 402/6 402/6 403/4 378/4 353/0 1,000 lbs: contact 70.75 71.90 7	282/0 280/4	200/0 200/0 200/0 200/0 402/4 402/4 402/4 402/4 402/4 402/4 402/0 71,56 71,56 71,56 71,56 71,56 40,96 40,96 40,90 40 40,90 40 40,90 40,90 40,90 40,90 40,90
	Sup Conc Mary July Aug Conc Doc Feb Aug Doc Apr July Aug Power Aug	268/6 7 5,000 bu Close S62/2 409/0 409/0 409/0 409/0 409/0 409/0 71,22 72,25 73,36 71,50 71,50 71,50 71,50 71,50 41,40 41,40 44,56 44,56 44,56 44,56 46,50 86,11,88 Close S5,15	268/6 min; center/6 Previous 390/2 402/4 402/4 3579/4 3539/4 3539/0 Previous 70.75 71.90 73.17 73.72 75.05 71.80 71.00 00 lb; center/6 40.75 43.19 45.95 40.75 45.10 45.00 44.02 48.55 48.55 48.55 48.55 58.000 lbe; ce	282/0 280/4 280/4 280/4 280/5 284/4 284/4 284/4 286/6 284/4 286/6 286/6 296/6	200/0 200/0 200/0 200/0 402/4 403/4 500/0 502/0 502/0 77.86 77.86 72.86 73.40 74.86 74.86 74.96 44.96 45.90 44.86 45.90 44.86 45.90 44.86 45.90 44.86 45.90 46.90

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WORLD STOCK MARKETS

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USTRIA	FRANCE	CERMANY (continue)	NETHERLANDS (continued).	SWEDEN (continued)		·		
Sch	FRANCE Frs. + or	August 18	Name	Ampart 1.8 Creary + ev -	Closting prices August 17 Cuentations in cents unless mented 3. 12000 AMCA last 400 455 455 4100 Aphilo Pr 521 4 21 21 1100 Agnito E 517 11 17 - 1 5265 Ahrin En 5154, 155, 155, -1 5215 Alpo Cest 522 22 23 24 4 2 5210 AMCA last 5164, 141, 145, 155, -1 5215 Alpo Cest 522 22 23 24 4 2 5210 Algoria St 5221, 221, 221, 1 1 5200 A Berrick 52112 2112 211, 1 1 5200 A Berrick 52112 2112 211, 1 1 5200 B C Board 521, 221, 221, 1 1 5200 B C Board 521, 221, 221, 1 1 5200 B C Board 521, 221, 221, 1 1 5200 B C Board 521, 221, 221, 1 1 5200 B C Board 521, 221, 221, 1 1 5200 B C Board 521, 221, 221, 1 1 5200 B C Board 521, 221, 221, 1 1 5200 B C Board 521, 221, 221, 1 1 5200 B C Board 521, 1 1 1 1 5200 B C Board 521, 1 1	Crowth 395 94 95 1 9 1 9 1 9 1 9 1 9 1 9 1 9 1 9 1 9	8ales Snock High Low Close Chang 34535 Leisflaw B 515 148 16 18 19 19 19 19 19 19 19	### Sect High Low Close Charge 23074 Seagrem 558-1 555 555 555 255
APAN		August 18 Yes + er -	August 18 Yes +er~	AUSTRALIA (continued)	21880 CON 14 872 72 72 1 50895 1	Jannock \$15½ 15½ 15½ 4 Keity DA \$38 36 36 Kerr Add \$20% 20½ 20½ ~ ½ Labatt \$21½ 21½ 21½	1700 St. ComA (\$114 114 114 2510 Sector)	23035 Prover Corp \$12 % 12 % 12 % 12 % 12 % 12 % 12 % 12
gust 18 Yes + 9 - segment 2220 190 segment 3 2220 190 segment 4 1,750 190 se Destric 1,870 190 se Destric 1,970 190 se Total 6,888 1,990 se Total 7,900 1,570 se Total 7,900 1,570 se Total 8,190 1,570 se Total 9,190 1,570 se Total 1,570 1,570 se Tot	2,526 1-20		Telfin	August 18	OVER-THE-CO	Sales Div. 109s High Low Last Ching	1455 Scotts 7 \$123 123 123 - 3 20000 Scotts C \$133 133 133 133 1 - 12 Nasdaq national market, 2pm pri Stock Div. 190s High Low Last Chag	Stock Div. 100s High Low Lest Chag
pts Food	Kelto Mfg	Nisshiple Infs. 1,200 -20 Nissin Food 3,450 -20 Nitro Bosel 627 +3 November 3,750 -20	Toppan Print	Tooth	Puritison .11 20 548 225 212 2212+114 Selbel PyrmT 14 125 1044 105 1045 Selctic Ormatx 55 123 37 38 38 37 14 Senge OVC 30 8 94 94 94 94 Seque	ns 1.24 6 7 254, 254, 254, 254, 254, 254, 254, 254,	Tourism 24 14 10 187 187 187 187 15-18 1 15-18	Varian 80b 14 35 201 201 201 12 Varian 80b 14 35 201 201 201 12 11 16 Varian 80b 14 37 41 11 16 42 43 11 16 Varian 8 17 17 17 17 17 17 17 17 17 17 17 17 17

| Secret | Dist. | Think | High | Low | Last Ching | Stock | Dist. | D

TOKYO - Most Active Stocks Thursday 18 August 1988									
Kawsseki Steel Mipport Express Toshibe Sumitomo Heavy Ind	Stocies Traded 73,79m 66,35m 46,29m 34,85m 31,59m	Closing Prices 768 1,440 1,170 757 1,150	-3	NKK	Stocies Traded 30.51 m 26.55m 26.09m 24.25m 20.53m	Closing Prices 685 1,500 1,920 738 2,850	Change on day + 10 + 80 -10		

NEW YO	RK		DO	W JC	NES	.i. 😁 .		:	 -
· 1	i	Aug	140) Amp	1	1988	State or	egibles	. :
. 1	บ	16	15	12	· High	Limit	Cab	Low	AUSTRALIA
ladestrials	025.96	3031 ZJ	2004,27	2037.52	2150,4			43.22 027.533	Ati Ordinaria Ali Misios C
lone Bonds	86.05	88.11	88,05	8811	超	86,12	COMPANY.	-	AUSTRIA
	846.33	844.83	842.44	652.25	908.4		1101.16	12.32	Credit Akties
	175.62			176,68	600	21/11	(1488) 2783	10.50	BELGIUM
	T\2'DY	4/4//	1/6.60		(29/1	20/0	de la companie	094/325	Brussels SE
Day's High 2042.50 C	2013.56	Lan 20	03.38 Q	793.78	-	-	ī·		DENIMARK Caseshines
TANDARD AND POOF	<u>.</u>	348 E4	l ace 40	1 242 55	225.6	1 2426	536.77	4.46	Fint And
			,		1 (22)	نتسف ا	(25)8(87)	0,632	Unitas Gene
edestrials				365.94	D26	1 2073	7/3.17 (25/6/67)	121/6/32)	FRANCE
Imperials	24.94	24.83	24.50	N.B	弱	32.	22.43 225(8)87)	0/10/749	CAC General Int. Treditor
ryse Composite	1014	147.69	346.38	148.55	155.7	236,72	187.99	4.46	CFRMANY
				296.43	122/6			25,042	FAZ Akties
week Mich. Value				j	1 762	71971		(9/12/72)	DAX (30/12
LASDAQ OTC COMP	376.22	375.66	374.07	378.95	08/7		65.26 04.887	54.87 (31/10/72)	House Kne
<u></u>		1 4	12	Ang		Jul 29	Year ago	(approx.)	Harg Seng I
ow Industrial Div.	Viold		.73	3.5		3.62	2.5	4	TALY
Wall Inhabitation +14+		1 45		Ano	3	Jul 27	year ago	(approx.)	Banca (2018,
& P Industrial div.	yleld .	. 3	26 .65	, Li	1	3.23 13.74	24	10	JAPAN ^a
			4 Votes			. 1	EW YORK		Tatyo SE lik
RADING ACTIVITY			1 4000	- 1.			17 Aug 1	6 Aug 15	METHERLA
Aug. 1		illori er 16	Aug 15	: l	in the		917 1.95	7 1,98	AMP-CBS to
		-		-· !	Picac Falk Unchange				HORWAY
er York 167	752	8000 65.311	7250		thickerige New Xiels	L			04to SE (441
TC 123		28.921	112.40	2 - J	Hen Louis		ສ້ ງ	6 - '- 25 -	SWEAPONE
							4		• Straits Time
CANADA						٠.	1468		SOUTH APP JSE Cold (2)
	Am	1 4			ا وظام	- -	1700		JSE LONG CE

	Aug	Aug.	Aeg.	Ang.	19	
	18	17	16	15	High	Low
AUSTRALIA AM Criticaries (1/1/80) AM Missing (1/1/80)	1631.1 823.0	1608.1 807.5	1600.1 804.3	1624.9 817.3	1657.8 (N/B) 947.8 (N/B)	1170.7 CI 532.4 CI
AUSTRIA Credit Akties (19/12/90)	199.60	199.76	198,00	8	199.70 0.7/60	163.98 C
BELGHUM Brussels SE (1/1/00)	4901.40	4899.30	4892.07	_G	5043.1 (9/3)	3608.354
DENHARK Capeshigas SE CYL/ES)	222.35	222,28	221.58	223.40	227.86 (3/8)	180.68 (4
FINLUMB Unitas General (1975)	748,8	746.5	750.4	753,7	772.1 (8/6)	530.6 CIS
FRANCE CAC General (31/12/82) Lot. Tendarck (31/12/87)	351.8 132.1	349.7 131.6	349.4 129.6	8 8	368.5 (E/T) 137.6 (77)	251.3 (29) 89,7 (29)
CERMANY FAZ Aktion (SL/12/SB) Commerchant (L/12/SB) DAX (30/12/S7)	487.26 1485.3 1173.93	484,92]477,4]182,18	479.22 1458.1 1158.76	479.48 14711 1169.82	495.78 (8/7) 1510.4 (8/8) 2199.96 (5/7)	396.40 (21 1207.9 (21 931.18 (21
Hone Kone Hang Seng Bank (\$1/7/64)	2571.41	25%,W	2589.36	2600.A3	2772.53 Q2(T)	2223.5% @
ITALY Banca Cass, Ital, (1972)	538.64	537.58	529.97	8	545.07 (18/3)	423.91 (9
JAPANI ^A Niko SE NasiA/1/60	28178.36 2203.87		27896.55 2187.49	27901.29 2129.85	29423.38 (5/8) 2253.10 (2/8)	21217.04 (1690.44 (
METHERLANDS ANT-CRS General (1970) ANT-CRS Industrial (1970)	275.2 235.4	274.0 233.0	268.7 226.6	271.4 230.8	291.8 (9/8) 291.3 (9/8)	205.7 (4) 157.9 (1)
110RWAY Ocio SE (4/1/83)	399.54	398.01	387.65	394.44	423.64 (DLP)	327.78 (2
SINGAPORE Straits Times led. (30/12/56)	10%.37	1120.27	1120.88	1172,78	1177.87 6/80	833,6004
SOUTH APRICA ISE Cold (28/4/78) ISE Industrial (28/4/78)	1244.04 1626.04	1255.0 1630.0	1275.0 1637.0	1272.0 1642.0	1451.0 (7)7) 1798.0 (20)7)	1154 0 (4 1367,0 (1
SPAIN Nadrij SE (90/12/95)	294.11	293.63	291.97	贮	301.63 (19/6)	225.50 F
SWEDER Jacobsok & P. Chiji 2/965	2999.3	2977.6	2967.7	2966.80	3112.90 G/B	2143.5 (4
SwitzERLAND Swies Black led. (31/12/50)	552.9	551.0	943.7	547.2	539.0 (19 <u>1</u> 52	466.6 03
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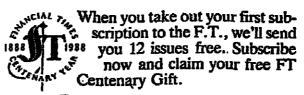
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AMERICA

Dow rises in face of falling dollar

Wali Street

TRADING remained very quiet in both bond and equity mar-kets yesterday as investors contemplated confusion over the outlook for economic growth, inflation and interest rates, writes Janet Bush in New

Following the extreme volatility in financial markets on Tuesday after the release of Tuesday after the release of the June trade figures, there has been little direction and activity has been light.

At 2pm, the Dow Jones industrial Average stood 8.18 points higher at 2,034.14 on low volume of 69m shares.

US Treasury bond prices were mixed at midsession with short-dated maturitles slightly under pressure, but longer-dated issues were up as much as 4 point. The yield on the

Fed Funds traded at 8% per cent at midsession, towards the lower end of what many bond dealers believe is the Federal Reserve's new target range.

Again, the focus was on events in the foreign exchange market where the dollar fell sharply from its highs. At mid-session, the US currency was quoted at Y133.30 compared with an earlier peak of Y134.10 and at DM1.8985 from DM1.9155

The US Federal Reserve and the Bundeshank intervened against the dollar for a second day, and were joined by the Bank of France and the Swiss National Bank. The Bank of England was also reported to have been in the market sell-ing dollars for sterling.

The intervention was obvi-ously designed to have maxi-

benchmark long bond was 9.40 mum impact on the dollar, per cent at midsession. which had already started falling on remarks in a West German newspaper by Mr William Verity, US Commerce Secretary, who said that a lower dollar against the D-Mark would be positive. He said that a dollar at DM1.80 would be positive for the US and for the world

> The fall in the dollar did not seem to undermine stocks and bonds, which stagnated amid widespread indecision. Among featured stocks was

> Pennwalt, which rose \$2% to \$84% after announcing it was selling its pharmaceutical operations to Fisons of the UK for \$460m. There have been rumours recently that Penn-walt may be a takeover target. Armtek jumped \$1% to \$45% after news that Mark IV Industries had sweetened its bid to

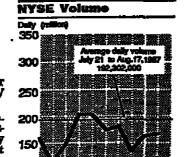
\$44 a share, up from \$40. Arm-

offer on Wednesday. Mark IV was unchanged at \$10%. Upjohn added \$1% to \$82%. The Food and Drug Administration has given the company final approval to market

Rogaine, an anti-baldness drug. It will be available on prescription within four to six weeks Grow Group jumped \$21/2 to \$15%. The company said it was in talks with a leading American corporation about a possiacquisition. No price has yet been established.

Goodvear Tire & Rubber reports that Mr Robert Mercer, chairman of Exxon, had said his company might lead a con-sortium which would buy Goodyear's All American pipe-line. Exxon was unchanged at

Micron Technology fell \$% to \$17% in over-the-counter



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trading as a result of negative a broker.

Canada

BASE metals and energy issues led a narrow advance in Toronto by midsession. The composite index gained 6.1 to 3,271.5 on light turnover of Among most actives, Laid-

Asset-backed issues gain as caution sets in

Tokyo

LACK of investor confidence led to sharp fluctuations in share prices in Tokyo yesterday, and by the end of the day equities had lost ground, writes Michigo Nakamoto in Tokyo.

The Nikkei Average, which rose by as much as 144 points in early trading, closed 49.50 down at 28,129.36. The high of the day was 28,323.02 with a

Volume at 782.72m shares was somewhat weaker than Wednesday's 897.43m shares. Japanese stocks traded in London slipped a little further, with the ISE/Nikkei index down 2.88 from the Tokyo close at 1.858.64.

Investors in Tokyo were concerned at the lack of direction from Wall Street, remaining cautious until they could detect a trend there, analysis said. They were rejuctant to take long-term positions in the market, instead seeking

again actively sought in Tokyo. Buying focused on shares of companies that own property in the Chiba area, south-east of Tokyo. Among those, Keisei Electric Railways, which regis-tered a maximum allowable single-day gain on Wednesday, rose Y150 to another record high of Y3,000, before profit-

taking dragged shares back to their opening price of Y2,850. Mitsui Real Estate advanced Y50 to Y2.380. Both Keisei and Mitsui Real Estate are large shareholders of Oriental Land. which operates Tokyo Disneyland, and have been attracting buying interest on speculation that Oriental Land will be listed on the Tokyo Stock Exchange within a year or two. Steels generally declined on profit-taking. The most heavily traded issue, Kawasaki Steel fell Y3 to Y768 as 74m shares changed hands, while Nippon Steel declined Y10 to Y738.

integrated transporter in Japan, advanced Y60 to Y1.440 as 66m shares were traded.

erty assets around Japan's rail-way stations.

Sumitomo Heavy Industries drew interest partly on renewed stories that it had developed technology for a superconductive, high-speed vessel, and also on the basis of its project to develop leisure facilities at its former plant site in Yokosuka, south of Tokyo. Sumitomo Heavy gained Y17 to Y757.

The bond market in Tokyo was slightly firmer. The yield on the benchmark 105th government bond closed at 5.150 per cent in large-lot trading. Buying of the benchmark bond was active as dealers responded favourably to the halt of the yen's weakening to

Profit-taking dominated in moderate trading on the Osaka Securities Exchange. Volume was 99.9m shares and the OSE average rose 39.19 to 27,210.27. Casio was sought, as in Tokyo, Roundup

LOCAL factors reasserted themselves after the recent dominance of US economic news. The result was a mixed performance in Asia Pacific AUSTRALIA saw strong

demand for leading banks, closing sharply higher. The banking sector soared as the market absorbed rumours concerning changes to banks' capi-tal ratios to be announced in day's federal budget. The All Ordinaries index rose 23, or 1.4 per cent, to

1,631.1. Turnover was 102.46m shares worth A\$174.62m. National Australia Bank saw 3.3m shares traded as its price picked up 34 cents to A\$5.60. Westpac climbed 28 cents to A\$7.04 on just over 2m shares. Bond Corp rose 5 cents to A\$2.10 after directors of Bell Group, steady at A\$2.58, recommended Bond's takeover bid of

A\$2.70 a share. HONG KONG was hit by a

the addines after early profit-taking, while fund managers focused on blue chips.

The local interim reporting period beginning next week is expected to bring fresh impe-tus to the market. Paul Y, tus to the market at week, topped the active list and closed at HK\$3.20 against HK\$2.10 on August 10.
Three companies announced

results - Green Island ended 10 cents lower at HK\$17.70, Sime Darby was off 2½ cents at HK\$2.10 while Ka Wah Bank held at HK\$1.82. SINGAPORE closed sharply

lower for the seventh consecutive session as sustained selling and profit-taking sent the Straits Times industrial index down 23.90 to 1,096.37. The index has dropped 81.50 since August 8's post-crash high. investors were reluctant to take positions following news that a general election will be

SOUTH AFRICA

DULL trading left Johannes-burg stocks almost unchanged yesterday. Gold shares were slightly lower

at 2.571.41. Turnover totalled HK\$674m, up from HK\$509m Domestic investors retreated to

The session started mixed

record group profits forecast for the year, but the stock fell 40 pfg to DM293.60. Utilities

Investors keep one eye on nervous currency markets

CURRENCIES and interest rates were the main concerns in Europe yesterday, with bourses ending mixed after a good rally on Wednesday, A RUSH of news and writes Our Markets Stoff.

The dollar's future level remains crucial for European markets, says James Capel in its latest European equity strategy document. The UK broker is relatively positive on Germany and Spain, recommends increased exposure to Italy and Denmark and has reduced weightings in France, Sweden and Finland. Above all, it says "we advise against

PARIS ended slightly higher in low volumes, with a rash of corporate results adding interest to a market preoccupied

est to a market precioqued largely with currencies.
The opening CAC index was 2.1 higher at 351.8 and the OMF 50 index, calculated at the close, was up 0.35 at 351. Volumes were estimated at around FF1800m worth of shares.

News that domestic inflation is expected to hold at about 2.5 to 3 per cent this year provided some relief on the interest rate front. "Had the news been bad there would have been upward pressure on interest rates,"

said one analyst.

Speculative stock Societé
Générale saw heavy trading
again, rising FFr6.30 to
FFr394.30. Pernod, rumoured to be seeking ties with Irish Dis-tillers, was also active, adding FFr12 to FFr1,084.

Among companies reporting improved interim earnings were recent laggard Skis Rossignol, up FF134, or 3.4 per cent, at FF11,024, Agence Havas, up FF13 at FF1684, and Chargeurs, FF114 higher at FFr1.072.

FRANKFURT lost ground on profit-taking after a rise of 2 per cent on Wednesday, with some position squaring before the weekend.

and shares at midday were up slightly with the FAZ index 2.34 stronger at 487.26. The closing DAX index was off 8.25 at 1,173.93 and turnover in German shares reached DM2.2bn.

Chemicals group Bayer came in with good results, but the market's mood prevented a rise in the share price. Interim profits were up 20 per cent with

announcements kept traders busy and the FT-SE 100 index closed 3 points higher at 1,838.9.

worse than expected, but the withdrawal of the Goodman Fielder bid for Ranks Hovis McDongall was a surprise and RHM shares fell 50p to 463p.

group Veba, with first-half profits up 10 per cent as expec-ted, added DM1 to DM259. Bonds were fixed lower, and the yield on the federal 1998 6% per cent unit rose to 6.83 per cent from 6.81 per cent.

MILAN attracted foreign demand for banking and telecommunications stocks and closed firmer, with the Comit-index up 1.06 at 538.64.

Volume shrank, however, following its high level earlier in the week.

Banca Commerciale rose L9

to 12,665, Mediobanca put on 1240 to 120,040 and BNA picked up 130 to 17,350. For-eign banks are rumoured to be building stakes in Italian banking groups with a view to form-ing alliances at some stage. Generali, the country's larg-est insurance group, closed at L92,100, a rise of L120, before

surging to L92,980 in after-hours trading amid foreign demand before the company's planned capital increase. Carmaker Fiat gained L26 to L9,615 amid rumours that it would increase its stake in Ferrari from 50 per cent to 90 per cent following the death of the

group, Mr Enzo Ferrari. AMSTERDAM was subdued by worldwide interest rate wor-ries and a general lack of inter-est. The CBS all-share index closed up 0.4 at 97.8, after peak-ing at 98.1 mid-morning. Trading was suspended in Nedlloyd about 45 minutes

founder of the luxury car

before closing, after the release of its first-half results. The stock was slightly firmer at Fi 238 when suspended, having peaked at Fl 241.50.

Blue chips ended mixed, with market leader Royal Dutch 50 cents down at F1 235. Hunter Douglas continued its

paining Fl 2.1 to Fl 67.5. Bourse officials again intervened in the market, scrapping vened in the market, scrapping all of yesterday's trades in technical engineering company GTI Holding. GTI's 1988 first half results published during the morning had not been available to all market players at the same time. GTI closed at II 116 on Wednesday.

The move was greeted with

If the on Wednesday.

The move was greeted with surprise by dealers who said that trading in GTI had been so minimal that there was little chance of insider dealing.

ZURICH lacked direction, with limited profit-taking largely offset by the impact of the firmer dollar. Interest focused again on smaller banks and insurers, while selected shares rose in heavy trading on vague rumours of possible on vague rumours of possible

takeovers.
The Credit Suisse all-share index closed off 1.4 at 471.7. Leading banks were generally slightly lower, with Union Bank bearers SF20 down at SF220. Crédit Suisse bearers shed SFr15 to SFr2,550.

While some smaller insurwhile some smaller insur-ance companies posted strong gains, blue chips closed slightly below the previous day's levels. Winterthur bear-ers fell SFr50 to SFr5,300. Zur-ich bearers lost SFr75 to

SF15,675. BRUSSELS saw low volumes following the previous day's hesitant session on Wall Street and closed slightly lower. Two companies attracting

above-average demand were utility intercom, down BFr15 at BFr3,145, and holding company Tractebel, off BFr50 at BFr7,700 with about 5,000 shares traded.

Groupe AG, the life assurance company, declined BFr100 to BFr6,700 after its purchase to HFr6,700 after its purchase on Wednesday of a 5½ per cent stake in Sun Life Assurance of the UK. STOCKHOLM enjoyed moderately active trading, finish-

ing higher amid strong buying interest in spite of some uncertainty about future trends.

Medical equipment company
Gambro was heavily traded after rumours that minority share-owner Cardo would make a full takeover hid. The rumours were later officially denied by Cardo, which is 46.9 per cent controlled by Volvo. Gambro free Be closed SKr7 up

Firm economy invigorates Seoul

South Korea's stock market is growing rapidly on the back of the country's between 1.20 pm and 3.20 pm. economic strength, and is now the fourth largest in Asia with a market capitalisation of

Kong.
The country's export-led at least 10 per cent this year



South Korea

by over 40 per cent in the past

listed on the exchange, with the top 10 accounting for 25.7

and that, combined with good domestic liquidity, has helped boost the stock market's value

Assuming political stability continues after the Olympic Games next month, share prices are expected to keep on At present, 480 stocks are

per cent of trading.

The main index, the Korea
Composite Stock Price index. tracks the performance of all the stocks.

with a half-day session on Sat-

There is no official after \$58hn, just \$12hm behind Hong Kong.

The country's export-led before 3.20 pm on weekdays can be matched after and often does continue into the evening. The exchange's trading system has been fully electronic for several years.

The South Korean Govern-ment has devised a substantial programme of listings to persuade companies to raise funds in the market, rather than through the banks, and to dilute cross holdings. The mar-ket is therefore destined to grow substantially, with an estimated 50 new quotations

planned for this year. A privatisation programme is also under way, aimed at spreading the shareholder base. The authorities are keen to broaden the market before opening it to overseas inves-

At present, foreigners may participate only through two overseas funds listed on the London and New York stock exchanges, and through closed end unit trusts and convertible

reflecting the scarcity of investment opportunities for Foreign investors keen to get

STOCK MARKET FACT CHART SOUTH KOREA

Top 10 stocks, percentage of market: 25,7% Trading hours: official - 9.40 am-11.40 am, 1.20 pm-9.20 pm, half-day Saturday; no after hours trading

Main index: Korea Composite Stock Price Index (covers all stocks) Current level of index 710.61; 1988 high: 737.83 (9/6); 1988 low: 517.99 (1/1)

some time to wait, although an increase in the number of con-vertible bonds — and even a partial opening of the stock market — could be on the hori-

All of these instruments tion in the real estate market
- something which should
feed through into higher share trade at substantial premiums,

Market capitalisation: about won 42 trillion (\$1 = won 723.

remains subject to government intervention, both by adjust-ment of the rules for brokerage houses, and other economic

decisions. Recent examples include the imposition of new regulations to control specula-

The market has recently

into the market may have

The Olympic Games next month have tended to dominate government thinking and, if the economy continues strongly towards the end of the nccede to foreign pressure. The Korean stock market

£1=won 1,239) Number of shares listed: 430

year, as the trends suggest, Seoul may be more likely to

shown more signs of reacting to economic fundamentals and political issues, such as the asefire in the Gulf and the liberalisation of trade with China, which can be expected

to be of benefit to Korean com-It remains relatively insulated from world financial trends, however, and was the only stock market to climb during the crash, rising 2 per cent in the week of Black Mon-

day.
The market's computerised settlement process generally takes three days, and investors face a withholding tax of 16.5 per cent — or 18.5 per cent if the stock is held under an

114.71 | 132.38 | 113.37 | 135.79

The market profiles series continues next week with a look at the Thailand stock

Maggie Ford

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FT-ACTUARIES WORLD INDICES

Ltd., in conjunction with the Institute of Actuaries and the Faculty of Actuaries

Jointly compiled by the Financial Times, Goldman, Sachs & Co., and Wood Mackenzie & Co.

NATIONAL AND REGIONAL MARKETS		WEDNESDAY AUGUST 17 1988				TUESDAY AUGUST 16 1988			DOLLAR INDEX		
Figures in parentheses show number of stocks per grouping	US Dollar Index	Day's Change %	Pound Sterling Index	Local Currency Index	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Local Currency Index	1988 High	1988 Low	Year ago (approx)
Australia (87)	110.26 117.85 120.12 123.79 89.05 72.98 105.71 127.36 71.81 164.12 147.98	9.9.8 -10.2.2 -10.2.2 -10.2.3 -10.2.3 -10.2.3 -10.3 -1	128.45 75.96 96.73 105.39 105.38 108.59 78.12 64.02 92.73 111.73 62.99 143.97 129.82 132.21 89.39 68.41 100.44 112.84 96.50 126.21 98.38 64.50 126.21	121.39 85.50 109.58 105.18 119.47 116.33 90.41 72.51 105.92 127.84 75.84 75.92 139.06 159.29 100.38 63.70 108.32 75.11 113.55	3.68 2.43 3.19 2.47 3.59 2.55 4.19 3.72 2.65 2.45 4.56 5.79 2.19 4.84 3.31 2.63 2.28	145.81 87.34 112.26 118.30 122.68 89.91 105.40 129.14 72.11 164.00 148.74 150.43 101.89 78.35 112.85 112.85 113.34 75.93 131.28	125.75 75.33 96.82 102.03 105.80 108.10 77.54 63.62 90.90 111.37 62.74 128.28 129.74 87.88 67.75 98.36 111.30 97.75 65.49	120.74 84.67 105.19 119.38 116.68 71.79 105.69 74.71 137.79 150.97 376.32 98.29 106.07 120.69 88.10 88.10 135.97 107.89 73.89 73.89 713.22	150.71 98.18 139.89 128.91 132.72 139.53 99.62 80.79 111.86 144.25 81.74 177.27 110.66 84.05 132.23 135.89 139.07 164.47 125.50 86.75 141.18	91.16 83.72 99.14 107.06 111.42 106.78 72.77 67.78 84.90 104.60 62.99 133.61 107.83 90.07 95.23 94.42 98.55 97.99 109.87 130.73 96.92 75.58 123.09	157.95 96.72 133.25 137.97 117.75 107.25 102.95 138.89 85.09 144.83 182.62 300.34 129.15 122.47 166.86 168.38 167.77 141.96 127.50 106.39 145.39
United Kingdom (324) USA (580)	106.56	+0.1	93.48	106.56	3.73	106.40	91.77	106.40	112.47	99.19	134.59
Europe (1013) Pacific Basin (671) Euro-Pacific (1684) North America (708) Europe Ex. UK (689) Pacific Ex. Japan (215) World Ex. US (1885) World Ex. UK (2141) World Ex. So. Af. (2405) World Ex. Janan (2009)	102.69 161.10 137.74 107.15 86.10 124.85 136.79 124.67 125.17 106.36	-1.1 +0.1 -0.3 +0.1 -0.9 +0.3 -0.3 +0.2 -0.3	90.08 141.33 120.84 94.00 75.54 109.53 120.00 109.37 109.81 93.30	96.66 136.98 120.92 106.49 86.17 110.85 120.17 115.62 115.61	3.76 0.72 1.63 3.70 3.15 3.85 1.71 2.14 2.34 3.74	103.87 160.97 138.14 107.03 86.89 124.52 137.21 124.72 125.36 106.72	89.59 138.83 119.14 92.31 74.94 107.40 118.34 107.57 108.12 92.04	95.96 135.70 119.87 103.34 85.22 110.35 119.17 114.88 114.89 102.94	110.82 172.26 147.53 113.29 92.99 128.27 146.49 131.77 132.39 112.43	97.01 130.81 120.36 99.78 80.27 87.51 120.26 111.77 113.26 100.00	122.40 145.14 136.11 134.76 108.15 148.93 136.63 134.87 135.59 131.49

115.42 2.36 125.29 108.06

-0.2 109.73 Base tathes: Dec 31, 1986 = 100; Finland: Dec 31, 1987 = 115.037 (US \$ Index), 90.791 (Pound Starling) and 94.94 (Local). Copyright, The Financial Times, Goldman, Sechs & Co., Wood Mackenzie & Co. Ltd.1987

125.08

The World Index (2465)...